



Frequently Asked Questions – April 14, 2010

Questions relating to costs

1. Why are you providing a range for cash costs of US \$335 to US \$350?

NAP's US cash costs per ounce are materially impacted by its byproduct metal credits, and the Canadian dollar versus the US dollar.

2. What is the Company's hedging policy?

North American Palladium does not sell forward any of its palladium or gold production.

3. Are you subject to any royalties at LDI?

NAP's production is subject to a 5% net smelter return royalty.

Question relating to employees and employment

4. Have you finalized the union contract?

Yes, a new collective agreement was signed with the United Steelworkers, effective until May 31, 2012.

5. How big is the workforce at LDI?

180.

6. Why fewer workers hired than when you were previously in production?

LDI was previously producing from both the Open Pit and the Roby underground before the mine was placed on care and maintenance. NAP will only produce from the Roby underground when full operations resume, and thus require a smaller workforce.

7. Where do I send my resume if I'm interested in applying for a job?

Please send an electronic resume to recruitment@nap.com.

Questions relating to production

8. *Why aren't you resuming production in the Open Pit?*

The Open Pit was near to the end of its life when LDI was placed on care and maintenance in October 2008. However, if metal prices continue to rise, existing stockpiled low grade ore could be milled.

9. *Have you finalized a smelter contract?*

Yes, the Company renewed its smelting contract with Xstrata Nickel.

10. *What metals will you produce?*

Our primary metal is palladium. Our byproduct metals are platinum, gold, nickel, and copper.

11. *How much palladium do you expect to produce annually?*

NAP expects to produce 140,000 ounces of palladium annually.

12. *What will be your monthly production rate?*

We expect to produce approximately 2,600 tonnes per day by May 1, 2010.

13. *How long were you in production before you went on care and maintenance?*

LDI began production in 1993, and consistently produced ore until October 2008.

For further information please contact:

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