

## **North American Palladium Provides Update on Lac des Iles Exploration Program**

Toronto, Ontario – April 5, 2018 – [North American Palladium Ltd.](#) ("NAP" or the "Company") (TSX:PDL) (OTC PINK:PALDF) today announced results from its exploration program at its Lac des Iles mine ("LDI"), located 90 km north of Thunder Bay, Ontario.

### ***2018 Offset South Zone Drilling Results***

- Hole 18-801 intersected 149 metres averaging 1.8 g/t Pd, including 17 metres averaging 2.9 g/t Pd and 33 metres averaging 3.1 g/t Pd.
- Hole 18-802 intersected 92 metres averaging 1.3 g/t Pd, including 8.0 metres of 3.5 g/t Pd and another 79 metre interval averaging 1.49 g/t Pd with 3.9 metres of 6.0 g/t Pd.
- Hole 18-803 intersected 49 metres averaging 1.43 g/t Pd, including 3.0 metres of 5.0 g/t Pd.
- Hole 18-901 intersected 159 metres averaging 1.5 g/t Pd, including 8.0 metres of 3.5 g/t Pd.
- Hole 18-902 intersected 65 metres averaging 1.4 g/t Pd, including 20 metres of 2.0 g/t Pd.
- Previously announced drill results included several holes with higher grade palladium mineralization, for example, hole 17-803 intersected 10.0 metres averaging 6.9 g/t Pd and hole 17-807 intersected 10.0 metres averaging 6.1 g/t Pd.
- The reported intersections also contain Pt, Au, Ni and Cu concentrations that are approximately the same as those currently being mined in the central part of the Offset zone, where byproduct metal sales account for ~20% of total revenue.

"We are excited that the latest results from the Offset South zone, which is located directly adjacent to our primary underground mining operations, confirm the zone has the widths required for mass mining with our well-established, low-cost, sub-level shrinkage method. Infill drilling is now required to determine the average grade within this highly prospective zone. Future resource gains from this and our many other near-mine exploration targets can extend the life of the mine at a very low capital cost," said Jim Gallagher, President and CEO of North American Palladium.

"The recent drilling results for the Offset South zone confirm its status as the top-ranked opportunity for a significant, near-term resource addition at LDI. In addition, we are pursuing resource gains on several other underground exploration targets, all of which occur in close proximity to current mining activity in the Roby and Offset zones. We are also exploring for new near-surface resources, with this year's program focusing on two targets in the eastern part of the mine property," said Dr. Dave Peck, North American Palladium's Vice-President, Exploration.

### ***Offset South Zone***

The southern part of the Offset zone (Figure 1) has been a focus for exploration drilling at LDI since mid-2017. Fifteen holes and 7,762 metres have been completed since the current program began. The results confirm the presence of a large, tabular area of greater than 1 g/t Pd mineralization occurring directly south of the sub-level shrinkage mining area (Figure 2). The Offset South zone typically varies from 50 to 100 metres in true thickness and contains multiple higher-grade sections, including several intersections exceeding 3 g/t Pd over core lengths of up to 41 metres and a smaller number of 2 to 10 metre intervals

averaging 5 to 7 g/t Pd. All significant drilling intersections from the 2017 and 2018 Offset South zone drilling program are provided in Table 1.

The recent drilling has confirmed that the southern end of the Offset zone splits into two divergent mineralized trends collectively referred to as the ‘pantleg’ structure. Both trends are composed of palladium-rich magmatic breccia and varitextured norite. They are separated by a sporadically mineralized equigranular norite unit and include the thicker, southwest-trending Offset South zone (the western ‘pantleg’) and a narrower and less well defined, southeast trend (the eastern ‘pantleg’) (Figure 2). The eastern trend includes the modelled down-plunge extension of the B2 zone. Both trends remain open along strike and at depth and represent the highest ranked targets for adding palladium resources at LDI.

### ***Plans for the Remainder of 2018***

Future drilling in the Offset South zone will focus on delineating indicated resources (see ‘gap’ target, Figure 3) and establishing the continuity and distribution of higher-grade areas.

Additional 2018 underground exploration drilling targets at LDI include (Figure 3):

- The down-plunge extension of the B2 zone;
- The Offset deep footwall target; and
- The Mystery zone target.

Surface exploration at LDI resumed this month at the Creek zone target, where an outcropping of approximately 200 metres by 150 metres south-plunging target area was recently defined (Figure 4). Additional surface drilling is planned for the Shorty Lake target, which has a similar geometry and size to the Creek zone target, and in the Roby Southwest zone, remains open below and to the southwest of the currently defined mineral resources (Figure 4). Additional drilling on the down-plunge extension of the Sheriff South zone may also occur later in the year.

**Table 1. Selected drilling results for the 2017-2018 Offset South zone exploration program, including previously released results. True thickness is estimated to represent 30 to 85% of the interval length.**

<b>Hole #</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Pd (g/t)</b>	<b>Pt (g/t)</b>	<b>Au (g/t)</b>
<b>17-801</b>	179.0	183.0	4.0	3.33	0.42	0.30
<i>and</i>	237.0	324.0	87.0	1.76	0.22	0.17
<i>including</i>	292.0	299.0	7.0	3.08	0.36	0.27
<b>17-802</b>	42.0	47.0	5.0	3.91	0.35	0.44
<i>and</i>	214.0	345.0	131.0	1.29	0.14	0.11
<i>including</i>	255.0	257.0	2.0	6.43	0.61	0.25
<i>including</i>	316.0	320.0	4.0	3.62	0.33	0.33
<i>and</i>	416.0	475.0	59.0	1.24	0.15	0.05

<i>including</i>	431.0	435.0	4.0	3.40	0.30	0.07
<b>17-803</b>	14.0	17.0	3.0	4.23	0.39	0.19
<i>and</i>	136.0	191.0	55.0	2.19	0.26	0.15
<i>including</i>	165.0	170.0	5.0	4.65	0.52	0.35
<i>and</i>	212.0	249.0	36.0	3.46	0.50	0.26
<i>including</i>	232.0	242.0	10.0	6.98	0.86	0.52
<b>17-804</b>	141.0	269.0	128.0	1.56	0.20	0.16
<i>including</i>	151.0	163.0	12.0	3.40	0.42	0.36
<i>with</i>	154.0	159.0	5.0	6.57	0.80	0.70
<i>including</i>	183.0	192.0	9.0	3.81	0.53	0.43
<i>including</i>	240.0	268.0	28.0	2.81	0.34	0.27
<i>including</i>	252.0	260.0	8.0	5.77	0.66	0.45
<b>17-805</b>	167.0	231.0	64.0	1.07	0.13	0.11
<i>including</i>	204.0	209.0	5.0	3.41	0.46	0.37
<i>and</i>	246.0	321.0	75.0	1.03	0.12	0.09
<i>including</i>	297.0	300.0	3.0	4.72	0.51	0.50
<i>and</i>	350.0	358.0	8.0	2.54	0.30	0.21
<b>17-806</b>	54.0	79.0	25.0	1.19	0.13	0.07
<i>and</i>	243.0	282.0	39.0	1.07	0.13	0.10
<i>including</i>	273.0	277.0	4.0	3.67	0.43	0.41
<i>and</i>	408.0	456.0	48.0	1.00	0.14	0.14
<b>17-807</b>	171.0	212.0	41.0	3.23	0.37	0.30
<i>including</i>	174.0	180.9	6.9	5.30	0.57	0.44
<i>and</i>	199.0	209.0	10.0	6.15	0.66	0.59
<b>17-808</b>	194.0	208.0	14.0	1.91	0.24	0.21
<i>including</i>	194.0	200.0	6.0	2.90	0.35	0.33
<i>and</i>	284.0	300.0	16.0	2.08	0.36	0.17
<b>17-809</b>	13.0	19.0	6.0	1.85	0.18	0.14
<i>and</i>	54.0	57.0	3.0	2.85	0.30	0.19
<b>17-812</b>	435.0	500.0	65.0	1.13	0.13	0.08
<i>including</i>	435.0	448.0	13.0	1.93	0.22	0.15
<i>with</i>	444.0	447.0	3.0	4.65	0.53	0.46
<i>and</i>	492.0	496.0	4.0	3.49	0.40	0.26
<b>18-801</b>	259.0	408.6	149.6	1.83	0.20	0.18

<i>including</i>	319.0	336.0	17.0	2.93	0.31	0.29
<i>including</i>	367.5	401.0	33.5	3.13	0.34	0.30
<b>18-802</b>	373.0	465.7	92.7	1.30	0.15	0.11
<i>including</i>	401.0	409.0	8.0	3.54	0.43	0.19
<i>and</i>	477.1	557.0	79.9	1.49	0.18	0.15
<i>including</i>	477.1	481.0	3.9	6.06	0.79	0.55
<i>including</i>	551.0	557.0	6.0	3.25	0.41	0.38
<b>18-803</b>	198.0	247.0	49.0	1.43	0.16	0.15
<i>including</i>	200.0	207.0	7.0	2.52	0.31	0.31
<i>including</i>	221.0	224.0	3.0	5.00	0.60	0.33
<b>18-901</b>	128.0	287.0	159.0	1.51	0.15	0.14
<i>including</i>	136.0	144.0	8.0	3.57	0.29	0.36
<i>and</i>	320.0	347.0	27.0	1.36	0.19	0.06
<i>including</i>	338.0	343.0	5.0	2.94	0.39	0.14
<i>and</i>	457.8	489.0	31.2	1.41	0.18	0.09
<i>including</i>	464.3	468.0	3.8	3.56	0.46	0.20
<b>18-902</b>	209.0	274.0	65.0	1.42	0.17	0.12
<i>including</i>	219.0	239.0	20.0	2.05	0.25	0.17
<i>and</i>	291.0	323.5	32.5	1.90	0.20	0.15
<i>including</i>	294.0	300.0	6.0	2.80	0.30	0.18
<i>including</i>	311.0	322.8	11.8	2.74	0.29	0.25

The analyses reported in this news release were performed by ALS Global in Vancouver, British Columbia. The Company's rigorous internal quality control and quality assurance protocols are described in detail in the current Technical Report for its Lac des Iles mine (June 2017 – available on SEDAR).

### ***Qualified Person***

The technical content of this news release was reviewed and approved by the Company's Vice-President, Exploration, Dr. Dave Peck. Dr. Peck is a Qualified Person under the meaning of National Instrument 43-101 and a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario, the Association of Professional Engineers and Geoscientists of British Columbia, and the Association of Professional Engineers and Geoscientists of Manitoba.

### ***About North American Palladium Ltd.***

[North American Palladium Ltd.](#) (TSX: PDL) (OTC PINK: PALDF) is a Canadian company with over 20 years of production at Lac des Iles mine, located northwest of Thunder Bay, Ontario. North American Palladium is the only pure play palladium producer in the world. With over 500 employees, Lac des Iles



mine features a unique world class ore body and modern infrastructure, including both an underground mine and an open pit mine.

### ***For Further Information***

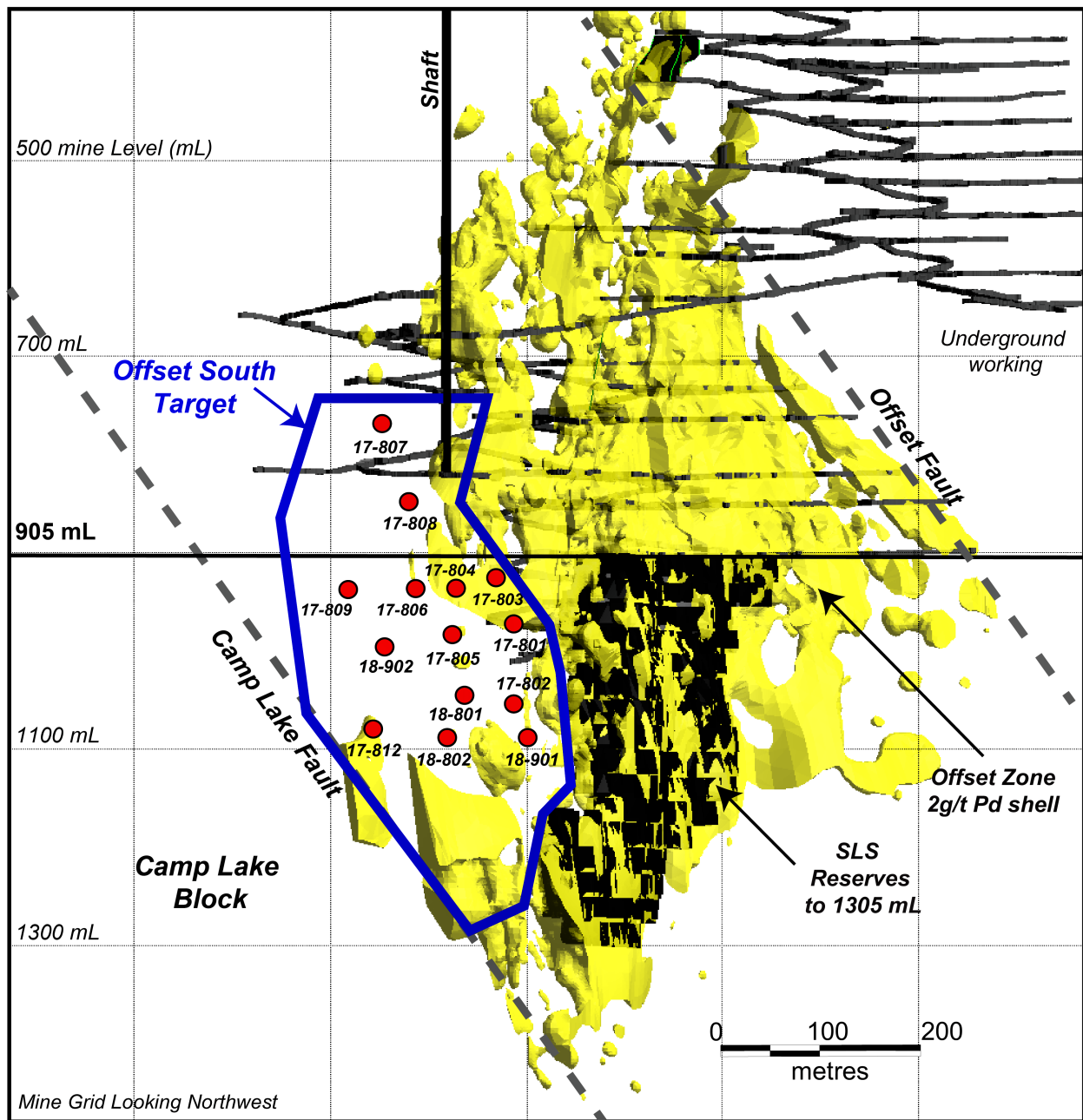
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### ***Cautionary Statement on Forward-Looking Information***

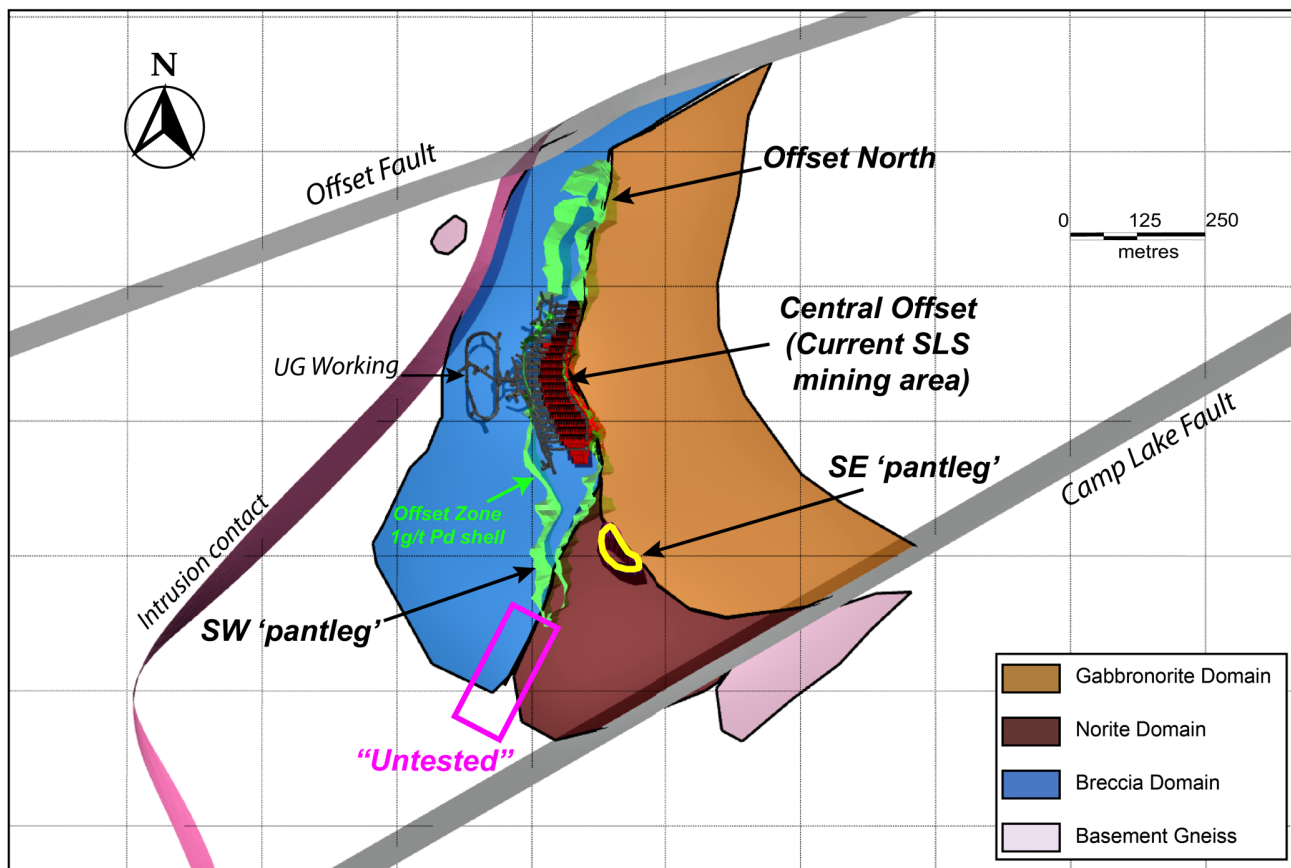
Certain information contained in this news release constitutes 'forward-looking statements' and 'forward-looking information' within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. The words 'target', 'plan', 'should', 'could', 'estimate', 'guidance', and similar expressions identify forward-looking statements. Forward-looking statements in this news release include, without limitation: information pertaining to the Company's future results at LDI; information pertaining to the Company's strategy, plans or future financial or operating performance, such as statements with respect to, long term fundamentals for the business, operating performance expectations, project timelines, tailings management plan, mining method change, production forecasts, operating and capital cost estimates, expected mining and milling rates, cash balances, projected grades, mill recoveries, metal price and foreign exchange rates and other statements that express management's expectations or estimates of future performance. Forward-looking statements involve known and unknown risk factors that may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. Such risks include, but are not limited to: the possibility that metal prices and foreign exchange rates may fluctuate, the risk that the Lac des Iles mine may not perform as planned, that the Company may not be able to meet production forecasts, the possibility that the Company may not be able to generate sufficient cash to service its indebtedness and may be forced to take other actions, inherent risks associated with development, exploration, mining and processing including environmental risks and risks to tailings capacity, employment disruptions, including in connection with collective agreements between the Company and unions and the risks associated with obtaining necessary licenses and permits. For more details on these and other risk factors see the Company's most recent management's discussion and analysis and the Company's annual information form on file with Canadian securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com) under the heading "Risk Factors".

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions contained in this news release, which may prove to be incorrect, include, but are not limited to: that the Company will be able to continue normal business operations at its Lac des Iles mine, that metal prices and exchange rates between the Canadian and United States dollar will be consistent with the Company's expectations, that there will be no significant disruptions affecting operations, and that prices for key mining and construction supplies, including labour, will remain consistent with the Company's expectations. The forward-looking statements are not guarantees of future performance. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise, except as expressly required by law. Readers are cautioned not to put undue reliance on these forward-looking statements.

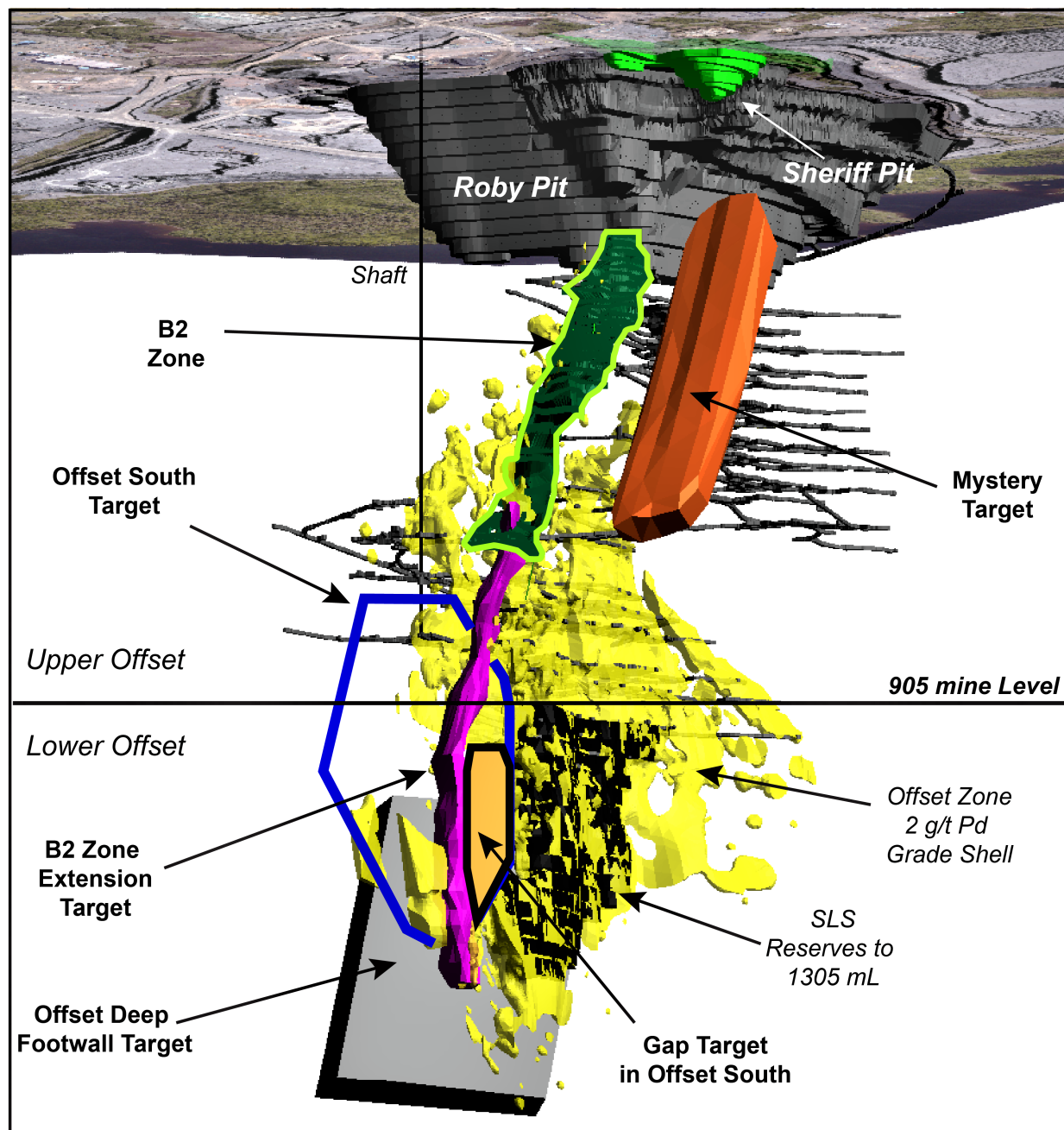
**Figure 1.** Longitudinal projection, looking northwest, and showing pierce points for the 2017-2018 Offset South zone exploration program. *Source – North American Palladium, April 5, 2018*



**Figure 2.** Plan view geological interpretation at the 950 metre level, showing the pantleg structure in the southern part of the Offset zone and recent exploration drill holes through the Offset South target at this depth. *Source – North American Palladium, April 5, 2018*



**Figure 3.** Longitudinal projection, looking northwest, and showing the location of the current underground exploration targets at Lac des Iles. *Source – North American Palladium, April 5, 2018*



3D View Looking to the Northwest



**Figure 4.** Current near-surface exploration targets at Lac des Iles. *Source – North American Palladium, April 5, 2018*

