

NORTH AMERICAN PALLADIUM LTD  
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### **North American Palladium Provides Update on Second Tranche Offering**

*All figures are in Canadian dollars except where noted.*

**Toronto, Ontario, April 8, 2014** North American Palladium Ltd. ( **NAP** or the **Company** ) (TSX: PDL) (NYSE MKT: PAL) is pleased to provide an update on the proposed second tranche of its previously announced public offering (the **Offering** ) of 7.5% convertible unsecured subordinated debentures, including an amendment to the terms and expected closing schedule.

The **Company** has amended the terms of its previously announced proposed **Offering**. The amendments include, among other things, a change in the formula used to calculate the conversion price to a 3-day volume weighted average price ( **VWAP** ) of the Common Shares on the Toronto Stock Exchange. The conversion price of the second tranche debentures will be C\$0.4629 per share and the exercise price of the second tranche warrants will be C\$0.5786 per share (both of which are subject to adjustment under certain circumstances); and acceleration of the anticipated closing date to on or around April 10, 2014.

The net proceeds from the **Offering** are expected to be used for expenditures at the **Company**'s Lac des Iles mine, exploration, mining equipment and for other general corporate purposes.

The **Company** has filed a final base shelf prospectus, a final prospectus supplement and an amended term sheet with the securities regulatory authorities dated April 8, 2014 with a syndicate led by Edgecrest Capital Corporation and with Canaccord Genuity Corp. in Canada and a registration statement (including a base prospectus) and a final prospectus supplement with the U.S. Securities and Exchange Commission ( **SEC** ) for the **Offering**. The **Offering** in Canada will be made only by the base shelf prospectus and the final prospectus supplement.

Before you invest, you should read the base shelf prospectus, the registration statement and the final prospectus supplement and other documents the **Company** has filed with the securities regulatory authorities in Canada and the **SEC** for more complete information about the **Company** and this **Offering**. You may get these documents for free by visiting SEDAR at [www.sedar.com](http://www.sedar.com) or EDGAR at [www.sec.gov](http://www.sec.gov). Alternatively, the **Company**, or the lead agent will arrange to send you the offering documents if you so request by calling toll-free 1 (877) 257-7366.

The audit report included in the **Company**'s Annual Report on Form 40-F ( **40-F** ) contained an opinion from its independent registered public accounting firm, KPMG LLP, which included a "going concern" explanatory paragraph. The **Company** discusses this matter in Note 1 to the financial statements included in its 40-F. This press release does not represent any change or amendment to the **Company**'s financial statements or its 40-F.

#### **About North American Palladium**

NAP is an established precious metals producer that has been operating its Lac des Iles mine ( LDI ) located in Ontario, Canada since 1993. LDI is one of only two primary producers of

palladium in the world, offering investors leverage to the price of palladium. The Company's shares trade on the NYSE MKT under the symbol PAL and on the TSX under the symbol PDL.

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**Cautionary Statement on Forward-Looking Information**

Certain information contained in this news release constitutes forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. The words will, expect, would, could, estimate and similar expressions identify forward-looking statements. Forward-looking statements in this news release include, without limitation: information pertaining to the use of proceeds of the Offering, the anticipated closing of Tranche 2, and the ability to obtain the required approvals for the Offering. The Company cautions the reader that such 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 risk factors include, but are not limited to: the risk that the Company may not be able to obtain sufficient financing to fund current capital needs, the risk that the Company will not be able to meet its financial obligations as they become due, and the possibility that the Company may not be able to obtain the necessary approvals. For more details on these and other risk factors see the Company's most recent Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.

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 obtain the required approvals to complete the Offering. The forward-looking statements are not guarantees of future performance. There can be no assurance that the Offering will close when anticipated or at all, or that the terms will not change. 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.