

North American Palladium

The *Only* Pure Play Palladium Producer

TSX:PDL & OTC:PALDF

Denver Gold Forum
September 24th-27th, 2017



Disclaimers and Forward-Looking Information

All dollar amounts shown are in Canadian dollars unless otherwise stated

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A Unique Opportunity

Why invest in North American Palladium?



Operational Turnaround

- A completely re-engineered asset
- 70% increase in underground production since restructuring in 2015
- Return to open pit mining
- Doubled mill throughput
- Returned to profitability in Q2/17

Strong Exploration Upside

- One of the best PGE exploration portfolios in the world
- Numerous intrusions, a majority with known PGE-Cu-Ni mineralization
- Acquisition of exploration property with proven mineralization

2017 Best Performing Major Metal

- Favorable supply/demand fundamentals moving forward
- Near record palladium prices
- At-risk global reserve picture
- Growing auto and industrial market

North American Palladium

Overview

North American Palladium is the ONLY pure play palladium producer in the world.

- Lac des Iles Mine ("LDI" or "Mine") located 90km northwest of Thunder Bay, with all season road access.
- Existing producer with +20 year history and +6,000 tpd underground mine and 15,000 tpd mill facility.
- New Life of Mine Plan published June 2017.
- 38 Mt reserves at 2.25 g/t palladium.
- 9.5 year mine life combining underground production with recommencement of open pit operations.
- Significant operational and mineral resource upside.



The Turn Around

What we have done

- 2010** – Underground mine expansion project included a new shaft and development of the Offset Zone. The project was poorly engineered and inadequately managed.
- 2013** – Brookfield Asset Management made an initial loan of US\$130 million.
- 2015** – Financial restructuring with Brookfield becoming a 92% shareholder. New Board, new executive management. Mandate – fix the asset.

Steps taken:

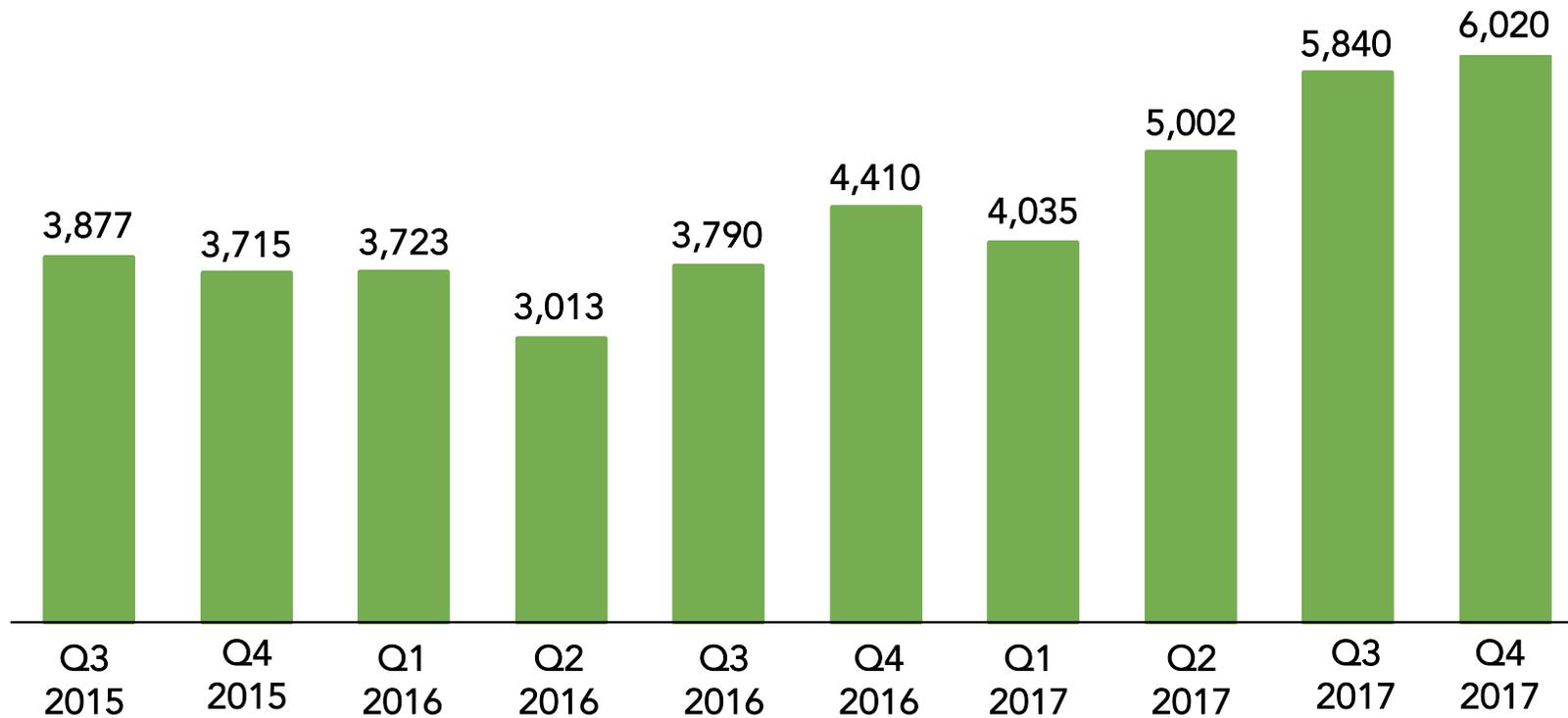
- New management team with an intensive focus on building a culture of safety and production;
- Infrastructure fixes – ore handling, mill, mobile equipment upgrades;
- Backfill system;
- Tailings capacity and long-term plan;
- ***Changed underground mining method;***
- Engineered the large mineral resource into a new LOM; and
- Returning to open pit mining.

As a direct result of these sustained and continued efforts, NAP returned to profitability in Q2/2017, set new underground production records in 2017 and returned to full-time mill operations ahead of schedule.

Financial Overview & Production Highlights

Ticker symbol – TSX:PDL and OTC:PALDF

Underground Production Tonnes Per Day



Capital Structure

(as at September 18, 2017)

Shares Outstanding ¹	58.1 million
Options Granted	1.5 million
Share Price	\$5.90
Market Capitalization	\$343 million
Cash	\$27 million
Debt ²	\$107 million
Enterprise Value	\$423 million

¹Approximately 53.5 million shares (92%) owned by Brookfield Capital Partners Ltd.

²Debt includes senior secured term loan (\$62.1m), credit facility (\$31.2m) and capital leases (\$13.6m).

Palladium Market Overview

Primarily used in the manufacturing of catalytic converters

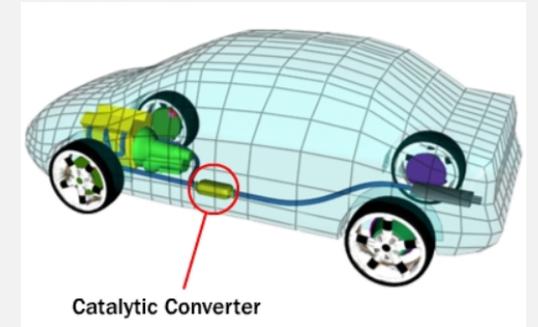
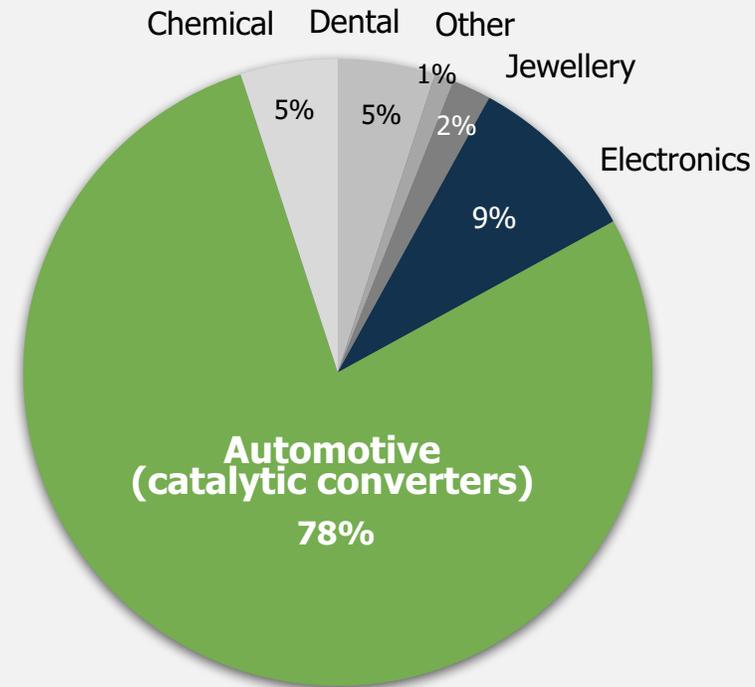
- One of the Platinum Group Metals (“PGMs”).
- Used as a thin coating on ceramic filters inside of catalytic converters.
- Approximately 3 to 4 grams of palladium per automobile (US\$75 to US\$100 per car @ US\$800/oz Pd).

Palladium demand drivers:

- Auto catalyst demand for palladium;
- 2% year over year auto growth, led by China;
- Tougher global emissions standards;
- Move away from diesel vehicles; and
- Industrial growth in technology sector.

Supply:

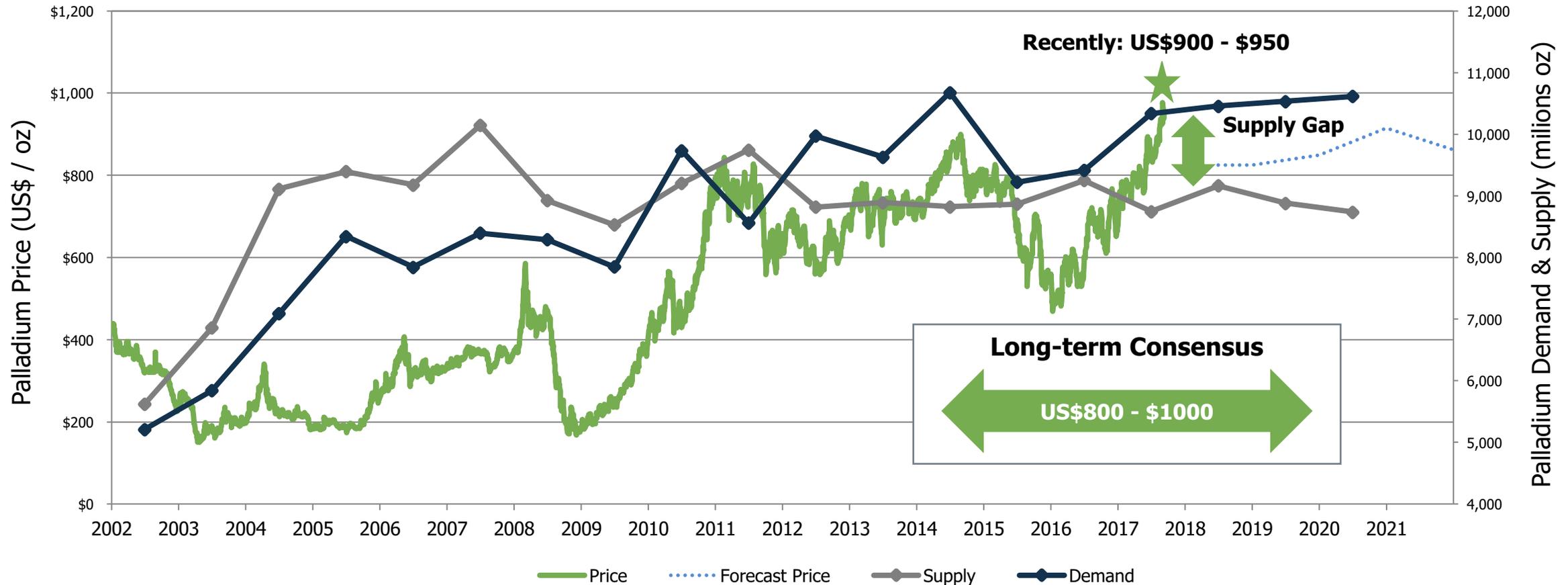
- Russia 40%
- South Africa 40%
- North America 14%



Palladium Supply vs. Demand

Demand is expected to continue to exceed supply

Palladium Demand/Supply & Price



Historical data based on Johnson Matthey and forecast data based on BMO Capital Markets Equity Research.

Lac des Iles Mine

Unique world class ore body with modern infrastructure

Two primary sources of ore to fill a 15,000 tpd modern mill

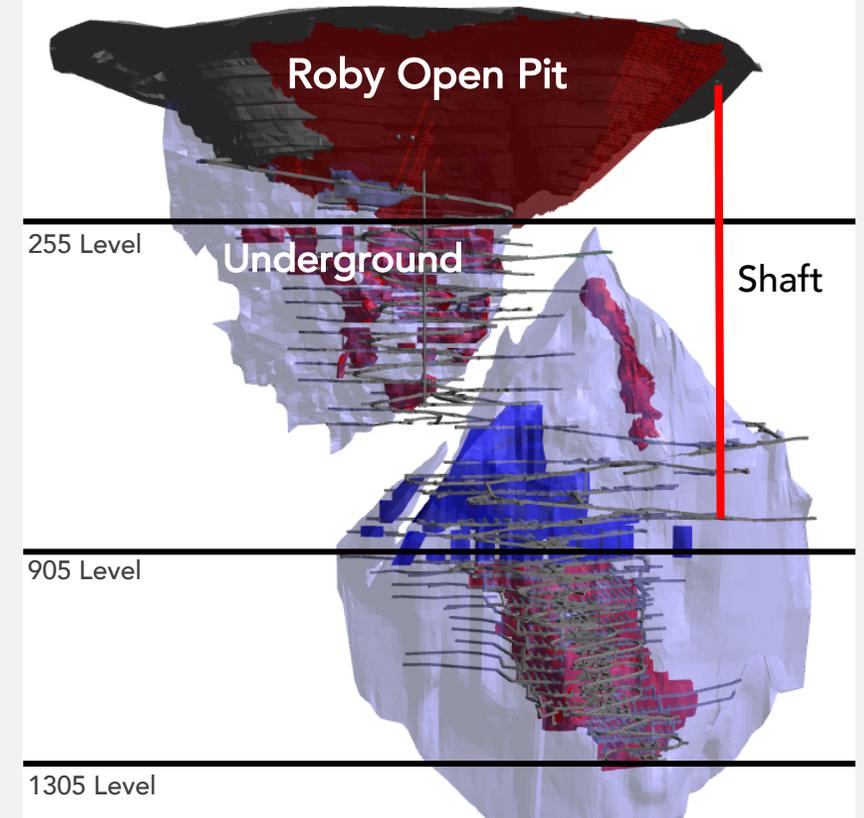
Underground:

- Unusually thick, vertical orebody allows for low cost bulk mining - widths up to 80 metres and strike length of >600 metres.
- Palladium deposits are typically found in narrow reef structures → high mining costs.

Open Pit:

- Lower grade stockpiles from prior open pit mining total nearly 5 million tonnes (total resources) and can be used to fill excess mill capacity.
- Future sources of surface ore will come from re-development of the existing Roby open pit and a new pit, Sheriff.

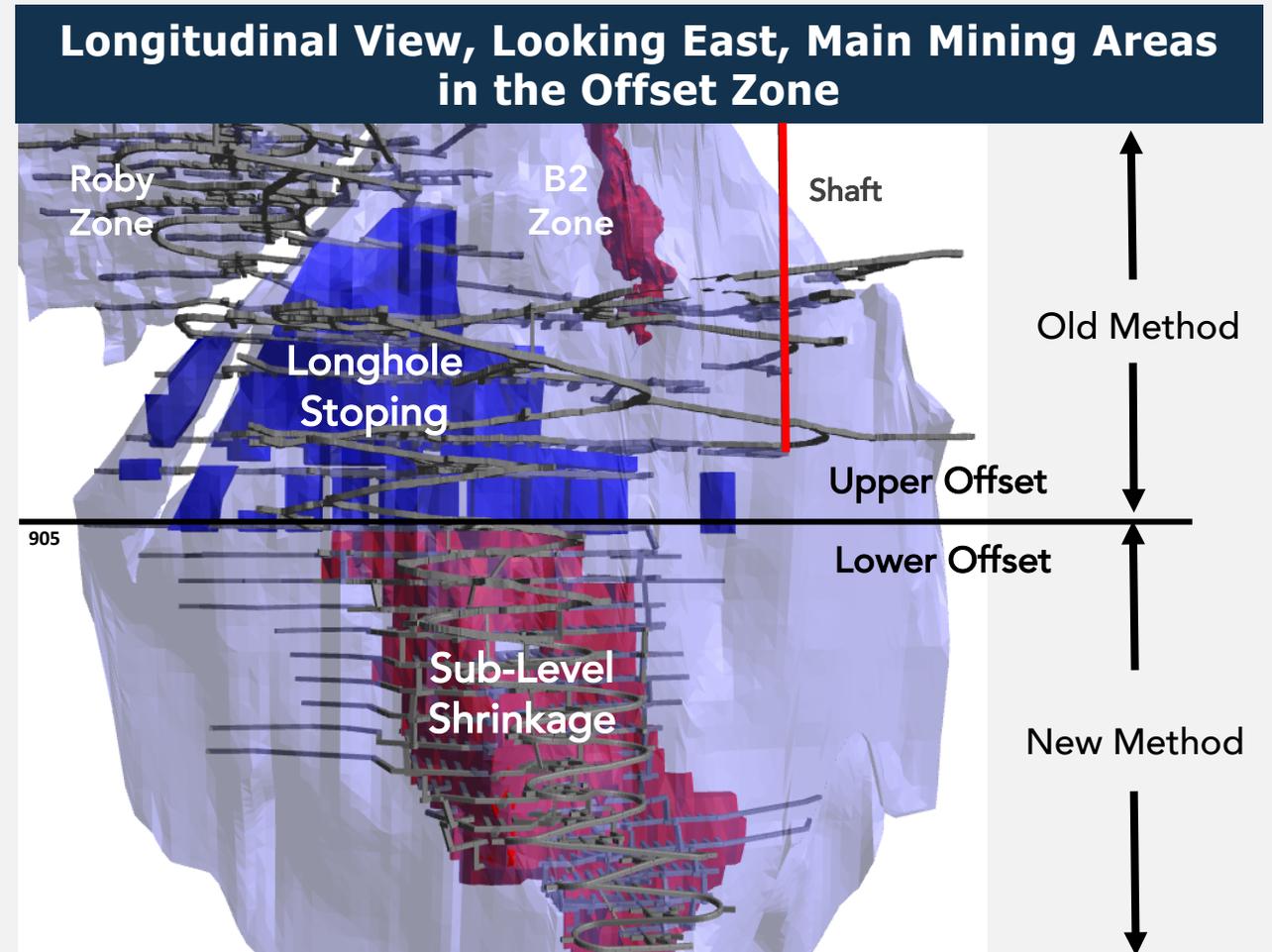
Longitudinal View, Looking East, Main Mining Areas (Life of Mine Plan)



New Mining Method

Increasing production at lower costs

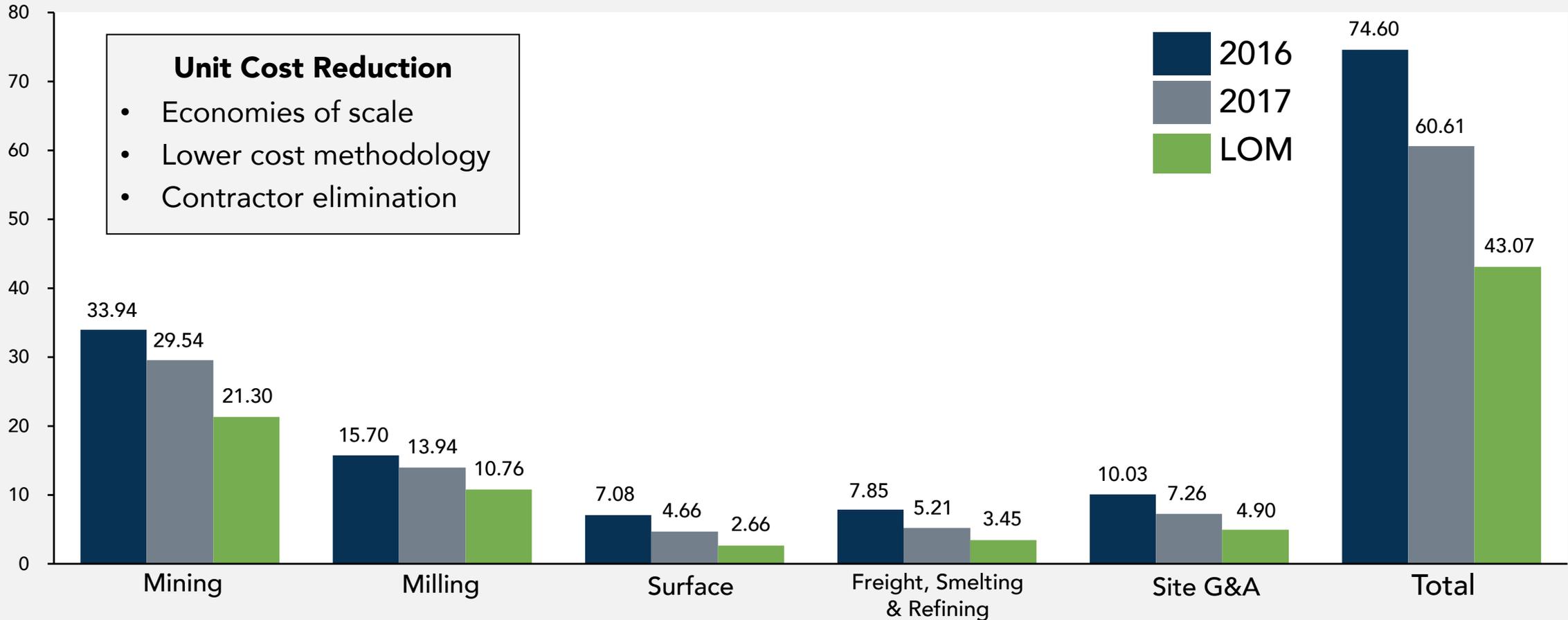
- New method replaces longhole, open stoping method, which left ore in remnant pillars and created ground control issues.
- The new Sub-Level Shrinkage method:
 1. Increased Production
 2. Improved Reliability
 3. Increased Ore Recovery
 4. Lowered Costs
- Footwall and remnant mining in upper mine:
 - Enabled by lower operating costs and higher metal prices.
- New zones discovered, B2 and Mystery.



Production Costs

Low-cost mining operation

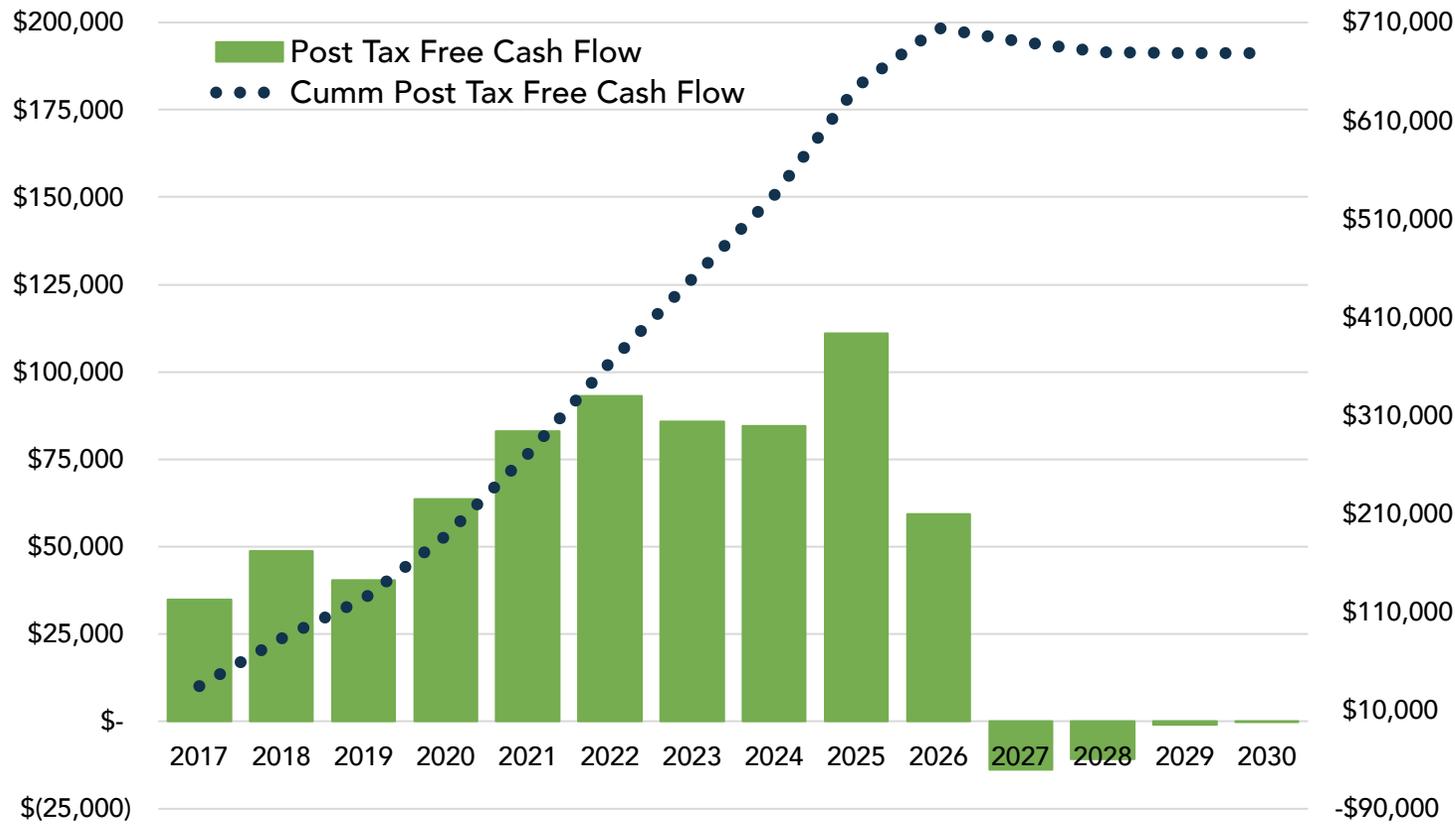
Operating Expenses (\$/t)



Life of Mine Summary

Key statistics & Post-tax Cash Flow

Post-tax Free Cash Flow (\$'000)



Total Palladium Reserves (Contained)	2.7 M oz
Average Palladium Reserve Grade	2.21 g/t
Price of Palladium (LOM average)	USD \$835
Open Pit / Underground Tonnes	46% OP / 54% UG
Average Mill Throughput	10,900 tpd
Estimated Palladium Recovery	81%
Total Palladium Production (Payable)	2.04 M oz
Ave. Annual Palladium Production (Payable)	214,000 oz
Reserve Life	9.5 Years
Average Cash Costs (LOM) ^{1,2}	USD\$428/oz
Average All-in Sustaining Costs (LOM) ^{1,2}	USD\$527/oz
Cumulative EBITDA ²	C\$1,056M
Post-Tax NPV _(5%)	C\$536M
Post-Tax NPV _(8%)	C\$470M

¹Net of by-product revenue and excluding taxation.

²Non-IFRS measure.

Improvement Opportunities

Currently Active Initiatives

Mill Optimization

- Increase throughput towards 15,000 tpd nameplate.
- Increase recoveries; currently below peer group.

Reserve Grade

- Eliminate 'zero grade' inferred resources from internal mine plan.
- Define source(s) of persistent underestimation of SLS mining grade.

Roby Zone Mining

- Optimize Roby footwall zone resources (only 40% in current plan).
- Evaluate bulk underground mining option for Roby pit expansion resources - potential to reduce capital and increase tonnage.

Mining Equipment

- Introduction of world's first 16 T battery electric LHD's in Q2 2018.
- Trucking fleet upgrades.

Efficiency

- Real time management and control; monitoring of people and equipment already in progress.

Resource Additions

- Fast track infill drilling on high potential reserve replacement targets.

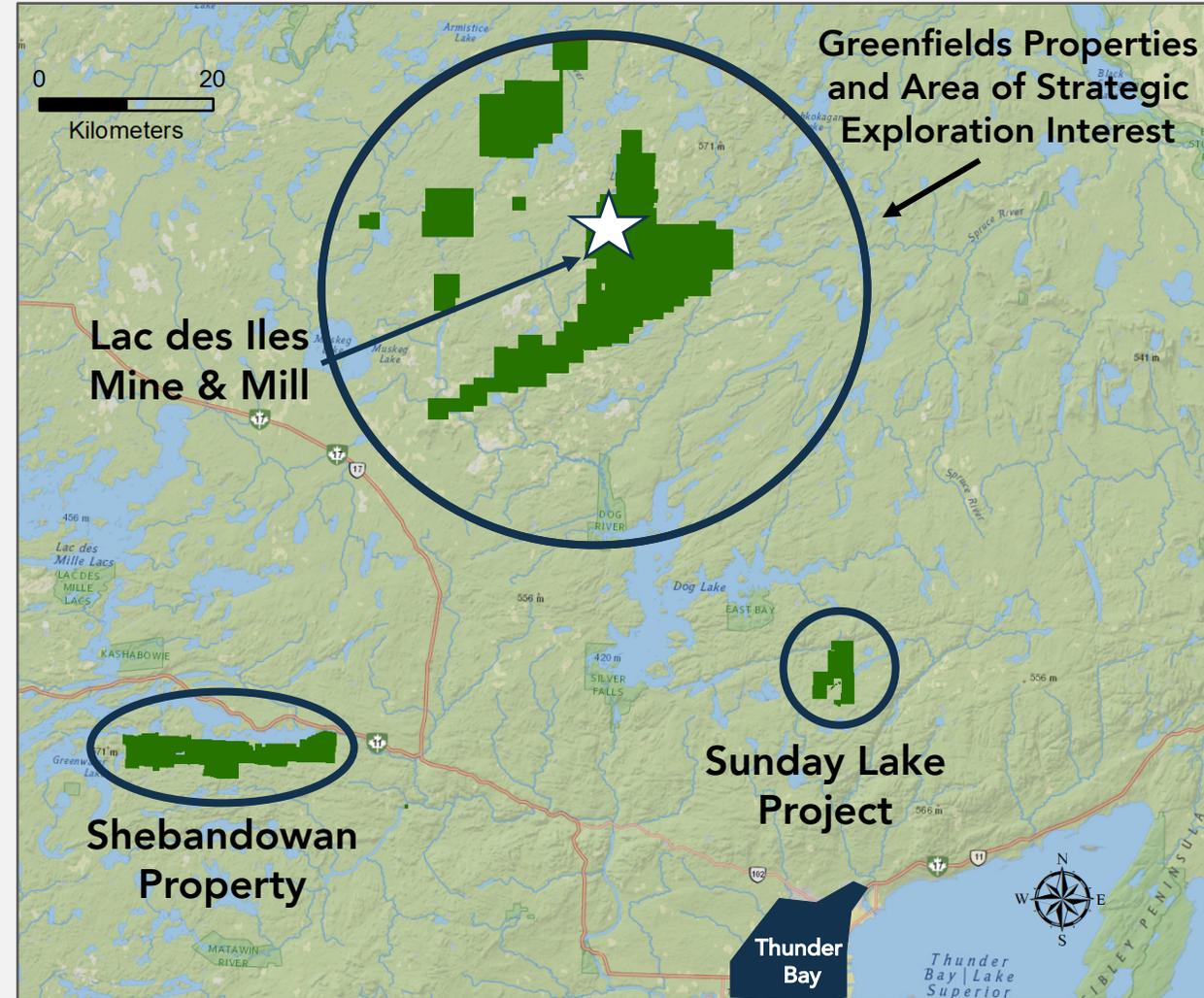


Exploration Opportunity

Creating value from strong exploration potential

World Class Portfolio

- Very low risk jurisdiction.
- Reflects many years of strategic land acquisitions.
- Includes ideal balance of near-mine (brownfields) and Greenfields projects.
- Known LDI-style PGE-Cu mineralization on many properties yet limited drilling.
- New LDI deposit model can unlock the value.
- Recent addition of Sunday Lake provides immediate opportunity to develop a new Greenfields resource.



Lac des Iles Exploration

Underground Targets

South Offset

- Major gap in drilling below the shaft and extending south to the Camp Lake fault.
- Known to host typical Offset Zone palladium mineralization and favorable geology.

Camp Lake

- Follow up on recent (2015/16) deep drilling intersections of Offset-style palladium mineralization south of Camp Lake fault.
- Large untested area that could extend to surface (also a surface target) to historic Cu-Ni showings.

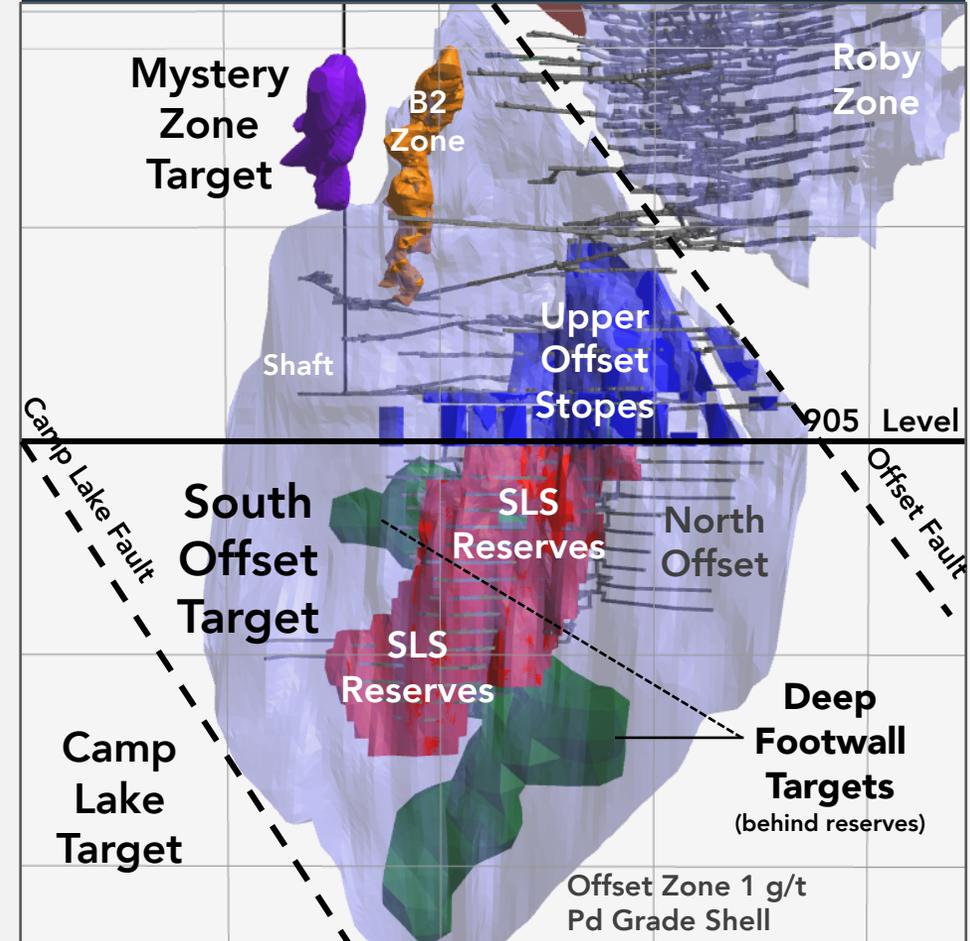
Mystery Zone

- Vertical, cylindrical-shaped target similar to B2 zone – represents a new mineralization style.
- Determine vertical extent and tonnage potential of currently defined higher-grade palladium-rich core.

Deep Footwall Zone

- Follow up on historical higher-grade intercepts occurring west of the Offset Footwall Zone and outside current 1 g/t palladium grade shell.
- New target resulting from a recent data integration and 3D geostatistical analysis project.

Long section of Offset Zone and underground exploration target areas, looking west.



Lac des Iles Exploration

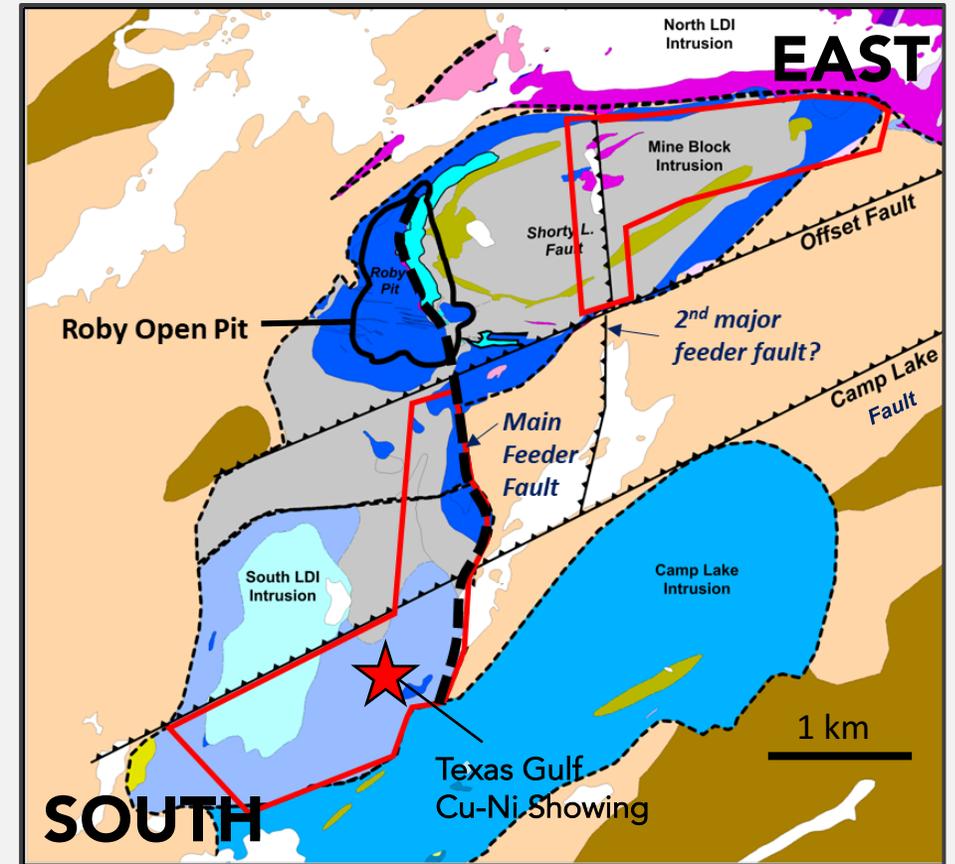
Surface Targets

South

- New insights into the structural controls on high grade palladium mineralization at LDI have highlighted the potential for a major new near surface discovery in the southern part of the mine property.
- Currently drilling initial targets beneath the historic Texas Gulf Cu-Ni showing, which is believed to sit on the southern extension of the main feeder structure to LDI.

East

- New geological models have identified a probable structural connection to known palladium mineralization in the eastern part of the mine property and other major feeder faults to LDI.
- Currently focusing on surface trenching and mapping in advance of surface drilling in 2018.



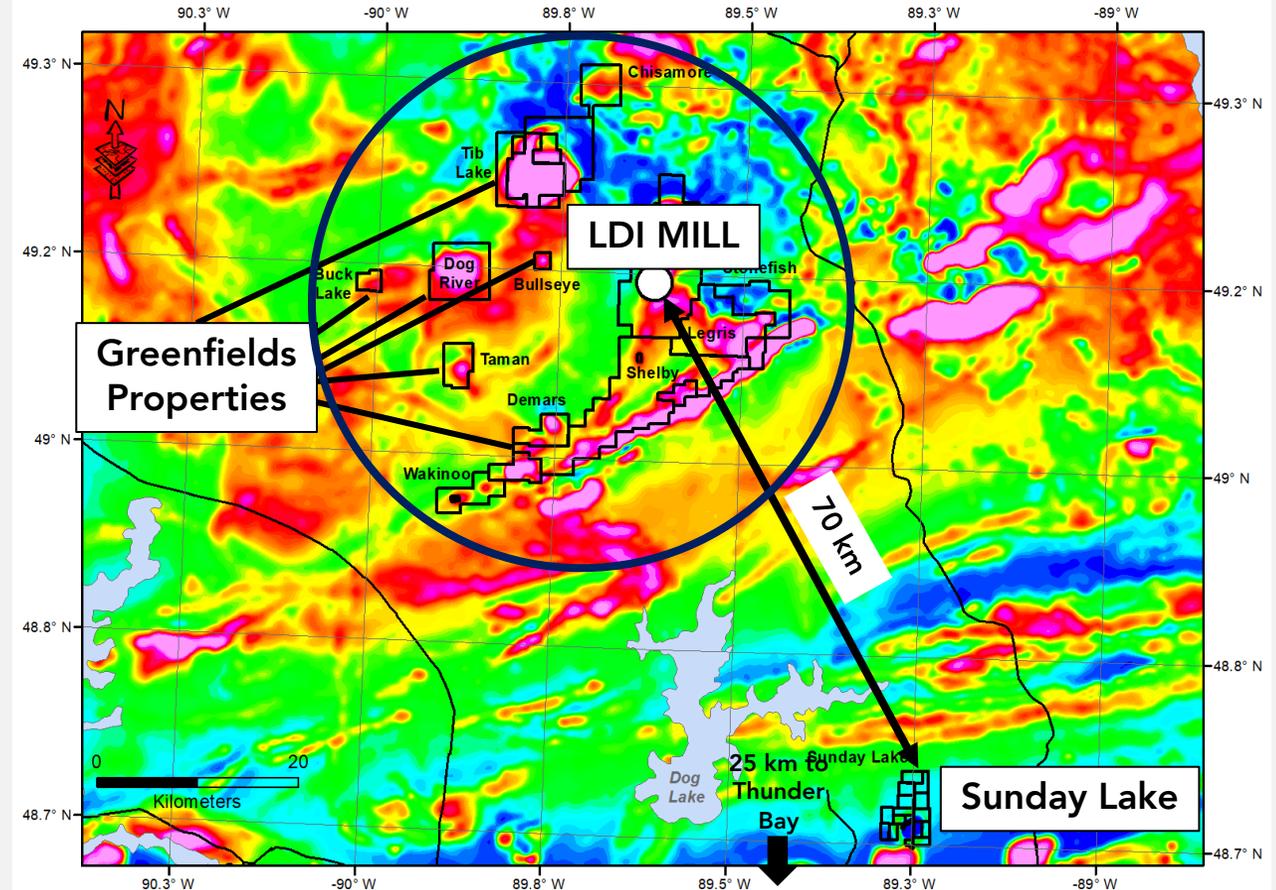
Greenfields Exploration

Discovering New High Value Feed for the LDI Mill

Greenfields Properties

- Within 30km of LDI.
- 43,000 hectares covering all known LDI intrusions.
- New deposit model for Lac des Iles has never been applied.
- Many mineralized intrusions despite limited prior exploration.

Total Field Magnetic Image, Current NAP Properties in the Greater Lac des Iles Region

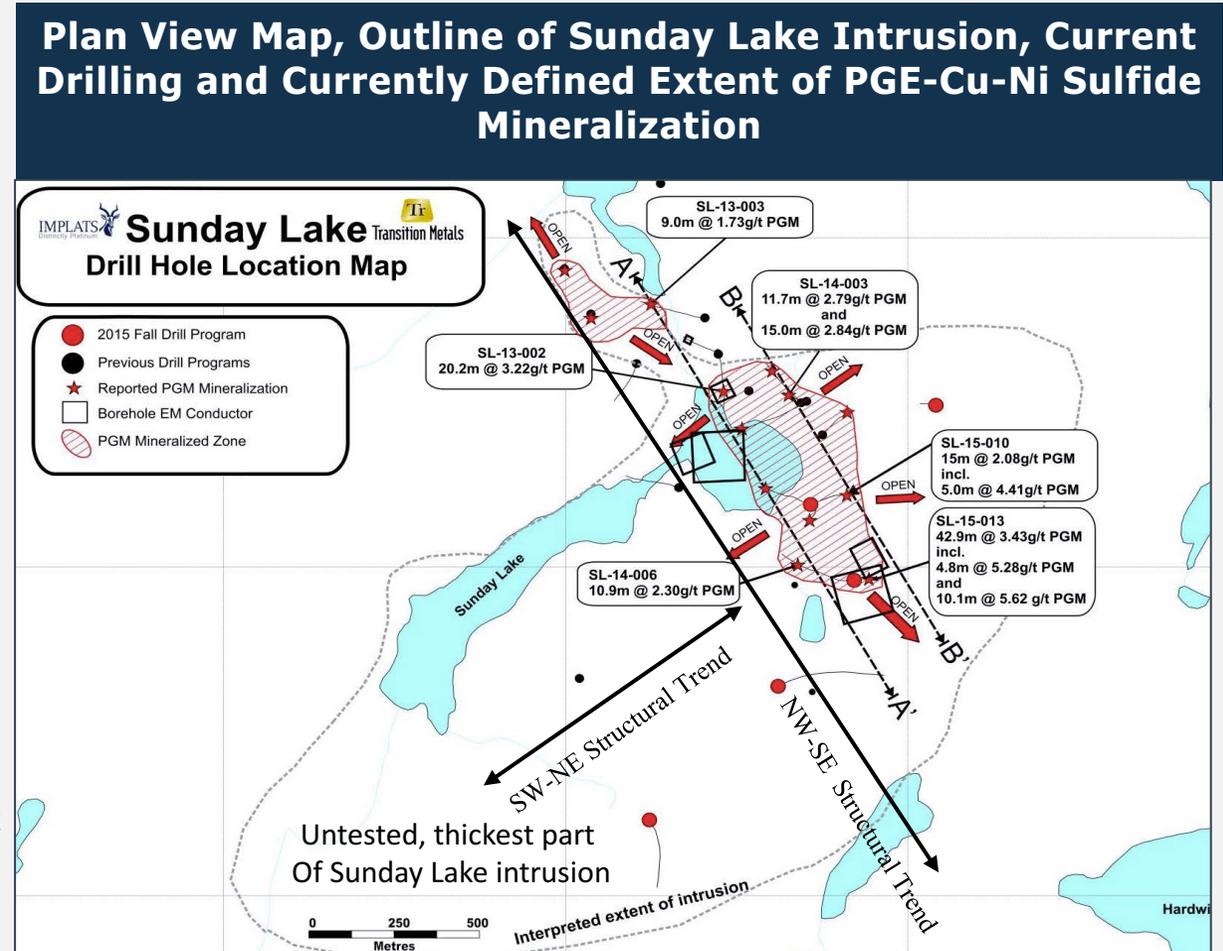


Sunday Lake

Discovery of the Year Award – PDAC North Western Ontario

Sunday Lake

- JVA with Impala Platinum and Transition Metals.
- Recently discovered magmatic sulfide deposit.
- Typical grades of 2 to 5 g/t Pd+Pt+Au with strong Cu enrichment.
- Clear structural controls on known mineralization.
- Good massive sulfide potential based on existing drilling and geophysical information.
- Strong similarities to the Noril'sk deposits in Russia – Noril'sk model has not been fully tested:
 - Feeder faults;
 - Tectonic setting (flood basalt province);
 - Host rock types and textures;
 - Disseminated sulfide mineralization with high PGE grades;
 - Similar PGE:Cu:Ni relative abundances; and
 - Host intrusion has similar size and shape.



What's Next for NAP?



What's next for NAP:

- Operational and financial improvements have been made and will continue in the future.
- Profitable moving forward.
- Expanded, multi-target exploration plan underway now.

Seeing is believing – Come for a visit!

Mine Site Visit, Investor Tour
Late October - Early November 2017

Learn More

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