

DISCLOSURE POLICY

Objective and Scope

The objective of this Policy is to ensure that communications to the investing public about North American Palladium Ltd. and its subsidiaries (collectively, the “**Company**”) are:

- Timely, factual and accurate; and
- Broadly disseminated in accordance with applicable legal and regulatory requirements.

This Policy applies to all directors, officers, consultants, contractors and employees of the Company and those authorized to speak on their behalf.

The Policy covers disclosure in annual and quarterly reports, including management’s discussion and analysis of financial condition and results of operations, news releases, letters to investors, presentations by management, any other documents filed with securities regulators, and information contained on the Company’s website and in other electronic communications including social media. This Policy also extends to oral statements made in meetings and telephone conversations with analysts, investors and other persons, to interviews with the media, and to speeches, shareholder meetings, press conferences and conference calls.

Management’s Responsibilities

Management is responsible for overseeing the Company’s disclosure practices and monitoring the effectiveness of, and compliance with, this Policy. Management who are responsible for the disclosure policies and practices consists of:

- President and Chief Executive Officer (the “**CEO**”);
- Vice President, Finance & Chief Financial Officer (the “**CFO**”);
- Vice President, Exploration
- Any additional personnel as may be considered appropriate by the above referenced members of Management from time to time.

Management should review and recommend changes, if necessary or desirable, to this Policy as needed to ensure compliance with changing regulatory requirements. Changes will be in the discretion of the board of directors of the Company (the “**Board of Directors**”) or a committee of the Board.

Management will report to the Board of Directors or a committee of the Board on an annual basis with respect to this Policy.

Management should meet as conditions dictate and minutes of meetings should be maintained by the CFO. Meetings may only proceed provided that the CEO and the CFO are in attendance. It is essential that Management be kept fully apprised of all pending or potential material Company developments in order to evaluate and discuss the relevant facts and circumstances and to determine the appropriateness and timing for public release of information.

What is Material Information?

Management will arrive at a decision as to whether information is material. In considering what action should be taken to ensure that the necessary disclosure is made, consideration will be given to periodic disclosure obligations (such as quarterly results) and any determination by Management or Board of Directors of the Company that immediate public disclosure is required.

Material information is any information which significantly affects or would reasonably be expected to have a significant effect, either favourably or unfavourably, on the market price or value of the securities of the Company. Determining the materiality of information requires the exercise of judgment. In borderline instances where it is uncertain whether information is material, the prudent course of action that will be adopted by Management is to consider the information material and disclose it to the public.

Examples of developments that may give rise to material information include the following:

1. Changes in equity ownership that may affect control of the Company;
2. Changes in corporate structure, such as reorganizations, mergers or amalgamations;
3. Major acquisitions or dispositions of assets, property or joint venture interests;
4. Borrowing or lending of a significant amount of funds;
5. Sales of securities of the Company;
6. Significant developments affecting the Company's material properties;
7. Evidence of significant increases or decreases in near-term earnings prospects;
8. Significant changes in management;
9. Major labour disputes; or
10. Defaults under financing or other agreements.

The above is not an exhaustive list. Other information may also constitute material information to the Company.

Public companies are not generally required to interpret the impact of external political, economic or social developments on their affairs. However, if an external development will have or has had a direct effect on the business and affairs of the Company that is both material and uncharacteristic of the effect generally experienced by other mining companies, in particular those operating in the same jurisdictions and/or mining the same minerals as the Company, the development could be material.

Principles of Disclosure of Material Information

In complying with the requirement to promptly disclose material information in accordance with applicable laws and the rules of the applicable stock exchange, the Company should adhere to the following basic disclosure principles:

1. Material information should be publicly disclosed promptly by issuing a news release.
2. In certain circumstances, Management may determine that such disclosure would be unduly detrimental to the Company,¹ in which case the information may be kept confidential until Management determines that it is appropriate to disclose the information publicly. In such circumstances, to the extent required by law, Management should file a confidential material change report with the applicable securities regulators.
3. Disclosure should include any information the omission of which would make the rest of the disclosure misleading.

¹ For example, if releasing material information would prejudice ongoing negotiations in a corporate transaction.

4. Unfavourable material information should be disclosed as promptly and thoroughly as favourable information.
5. Previously undisclosed material information should not be disclosed to selected individuals.² If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person not bound by an express confidentiality obligation, such information should be broadly and promptly disclosed in a news release.
6. Disclosure on the Company's website alone does not constitute adequately broad disclosure of material information.
7. Disclosure should be promptly corrected if the Company subsequently learns that earlier disclosure by the Company contained a material misrepresentation (i.e., an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made) at the time it was made or if the Company has otherwise undertaken to update prior disclosure.

Trading Restrictions and No Trade Periods

It is generally illegal for anyone in a special relationship with a given company to purchase or sell securities of that public company with knowledge of material information affecting that company that has not been generally disclosed. Except in the necessary course of business (e.g. in appropriate cases to lenders, underwriters, employees, auditors or regulators), it is also illegal for anyone in a special relationship with a public company to inform another person of material non-public information.

In addition to these legal obligations, the Company has adopted a policy relating to trading in the Company's securities by directors, officers employees, consultants and contractors of the Company, which imposes trading blackouts on certain individuals in connection with the release of financial results and certain other specified circumstances.

No trade periods or trading restrictions also may be prescribed from time to time by Management as a result of special circumstances relating to the Company pursuant to which directors, officers and employees with access to material undisclosed information regarding the Company would be precluded from trading in securities of the Company.

A copy of the Company's Insider Trading Policy may be obtained from the CFO.

Maintaining Confidentiality

Any individual privy to material undisclosed information is prohibited from communicating such information to anyone else, except in the necessary course of business. Efforts should be made to limit access to such information to only those who need to know the information and such persons should be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company should be advised that they must not divulge such information to anyone else, other than in the necessary course of business, and that they may not trade in the Company's securities until the information is generally disclosed. Such outside parties may be required to confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

² For example, discussing material undisclosed information in a meeting with an analyst or during a telephone conversation with an investor constitutes selective disclosure.

In order to seek to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who have a need to know that information. Similarly, access to electronic documents and files should be restricted to those individuals who have a need to know that information and should be password protected.
2. Confidential matters should not be discussed in public places where the discussion may be overheard, such as elevators, restaurants, airplanes or taxis.
3. Confidential documents should, wherever practicable, not be read or displayed in public places, and should not be discarded where others can retrieve them.
4. Employees should ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.

Designated Spokespersons

The Company will designate a limited number of spokespersons responsible for communication with the investment community, regulators and the media. The CEO shall be the primary spokesperson for the Company. Vice Presidents shall also be designated spokespersons for the Company. Management, from time to time, expressly designate others within the Company or outside the Company to speak on behalf of the Company or to respond to specific inquiries.

Persons who are not expressly authorized spokespersons must not respond to inquiries from the investment community, regulators, the media or others, unless specifically asked to do so by Management. All such inquiries should be referred to the CEO and CFO.

News Releases

Once Management determines that a development is material, it should authorize the issuance of a news release, unless Management determines that such developments must remain confidential for the time in accordance with this Policy being, in which case appropriate confidential filings will be made, and control of the information will be instituted. Should material undisclosed information inadvertently be disseminated in a selective forum, the Company should promptly issue a news release in order to generally disclose that information.

If a stock exchange upon which securities of the Company are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information should be provided to the applicable market surveillance department. This may lead to a trading halt by the market surveillance authority or stock exchange if deemed necessary. If a news release announcing material information is issued outside of trading hours, market surveillance should be notified before the market opens.

The Company's annual and interim financial results should be publicly released promptly following approval of the financial statements by the Board of Directors (in the case of audited annual financial statements) and the Audit Committee (in the case of interim financial statements).

News releases should be disseminated through an approved newswire service and posted on the Company's website immediately after release over the newswire. Posting on the website alone is not sufficient dissemination in the case of material information.

Conference Calls

Conference calls may be held to discuss quarterly earnings and major corporate developments provided that these calls are accessible to the public, by telephone and/or webcast. At the beginning of the call, a designated Company spokesperson should provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a discussion of the risks and uncertainties in respect of such information.

The Company should provide advance notice of conference calls and webcast presentations by issuing a news release providing information on how interested parties may access the call or webcast. A recording of the conference call or webcast should be made available for a reasonable period following the call (e.g. 30 days).

Management should hold a debriefing meeting immediately after the conference call and, if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company should promptly disclose such information via news release.

Rumours

The Company's policy is that it does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet, including on "chat" forums. Should a stock exchange request that the Company make a definitive statement in response to a rumour that is causing significant volatility in the Company's stock, the CEO or the CFO in consultation with the CEO should consider the matter and decide whether a Company statement is warranted or otherwise and, if so, the substance of the Company's statement. If the rumour is true in whole or in part, Management should consider issuing a news release disclosing the relevant material information.

Contacts with Analysts, Investors and the Media

The Company recognizes that meetings with analysts and significant investors are an important element of the Company's investor relations program. Only designated spokespersons should initiate contact with or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy. Where practical, statements and responses to anticipated questions should be scripted in advance.

The Company should only provide previously disclosed material information and non-material information in individual and group meetings. If the Company intends to announce material information at an analyst or investor meeting, at an industry conference, through a press conference or conference call or in some other manner, the announcement should be preceded by a news release.

An analyst or investor may, on his or her own, assemble information into a mosaic that could result in material information. However, the Company should be careful not to assist by breaking down material information into smaller, non-material components.

Designated spokespersons should strive to keep notes of telephone conversations with analysts and investors and, where practicable, more than one Company representative should be present at all individual and group meetings. A debriefing should be held after such meetings and, if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company should promptly disclose such information via news release.

Reviewing Analyst Draft Reports and Models

It is the Company's policy to permit the CFO, in his discretion, to review, upon request, analysts' draft research reports or models. If such a review occurs, the Company should review the report or model

solely for the purpose of pointing out factual errors based on publicly disclosed information. It is the Company's policy, when an analyst inquires with respect to his or her estimates, to question an analyst's assumptions if the estimate is a significant outlier among the range of analysts' estimates or the Company's published guidance (if any). In responding to such inquiries, the Company should limit its comments to non-material information. The Company should not confirm, or attempt to influence, an analyst's opinions or conclusions and should not express comfort with the analyst's model or earnings estimates.

In order to avoid appearing to "endorse" an analyst's report or model, the Company should provide its comments orally and indicate that the report was reviewed only for factual accuracy. The Company may also attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

Distributing Analyst Reports

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. As such, the Company should not provide analyst reports through any means to persons outside of the Company, including posting the information on the Company's website. The Company may post on its website a complete list of all the analysts who provide research coverage on the Company. If provided, such list should not include links to the analysts' or any other third party websites or publications, and should include an appropriate disclaimer.

Managing Expectations

If the Company has determined that it will be reporting results materially below or above what it considers to be generally publicly held expectations, it should consider disclosing this information in a news release in order to enable discussion without risk of selective disclosure.

Forward-Looking Information

Should the Company elect to disclose forward-looking information ("FLI") in continuous disclosure documents, speeches, conference calls, news releases or elsewhere, the following guidelines should be observed.

1. If deemed material, the FLI should be disseminated via news release in accordance with this Policy.
2. FLI must be expressly identified as such by the Company in the applicable document.
3. FLI must not be disclosed unless the Company has a reasonable basis for the FLI.
4. The Company should identify the material factors or assumptions used in the preparation of the FLI and should also include a statement that the factors or assumptions may prove to be incorrect.
5. The FLI should be accompanied by a statement that identifies, in reasonably specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the FLI statement.
6. The FLI should be accompanied by a statement that readers should not place undue importance on the FLI and should not rely on the FLI as of any date other than the date the disclosure of the FLI is made.
7. If there are material differences between actual results and previously disclosed FLI, disclosure is required in the MD&A or in a news release issued prior to the MD&A.

The Company is required to disclose events and circumstances that are reasonably likely to cause actual results to differ materially from material FLI that the Company has previously disclosed to the public, and the expected differences as a result of such events and circumstances. In most cases, the aforementioned disclosure should be contained in a news release filed before the filing of the Company's quarterly MD&A. In addition, the Company is required to include disclosure in the subsequently filed MD&A which (a) identifies the news release, (b) states the date of the news release, and (c) states that the news release is available at www.sedar.com. Management should consult with legal counsel prior to finalizing the relevant news release and MD&A to ensure the Company's compliance with applicable requirements.

In addition to FLI disclosure requirements, certain disclosure requirements also apply to Future Oriented Financial Information ("**FOFI**") (a subset of FLI) and financial outlooks. More specifically, no FOFI or financial outlook can be disclosed unless it:

1. Is based on assumptions that are reasonable in the circumstances;
2. States the date management approved the FOFI or financial outlook, if the document containing the FOFI or financial outlook is undated; and
3. Explains the purpose of the FOFI or financial outlook and cautions readers that the information may not be appropriate for other purposes.

In order to be based on assumptions that are reasonable in the circumstances, the FOFI or financial outlook must (a) be limited to a period for which the information in the FOFI or financial outlook can be reasonably estimated, and (b) use the accounting policies the Company expects to use to prepare its financial statements for the period covered by the FOFI or the financial outlook.

Cautionary language is also required for public oral statements that contain FLI. However, a person is deemed to satisfy the requirements of applicable securities laws in Ontario with respect to a public oral

1. Made a cautionary statement that the oral statement contains FLI;
2. Stated that the actual results could differ materially from a conclusion, forecast or projection in the FLI, and that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the FLI; and
3. Stated that additional information about (i) the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the FLI, and (ii) the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the FLI, is contained in a readily-available document or in a portion of such a document and has identified that document or that portion of the document.

Quiet Periods

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company should observe a quarterly quiet period, during which the Company should, absent unusual circumstances following consultation with legal counsel, not initiate or participate in any meetings or telephone contacts with analysts, investors or other market professionals regarding earnings or other financial information, and no earnings guidance should be provided to anyone, other than responding to unsolicited inquiries concerning non-material or previously publicly disclosed factual matters. The quiet period commences on the fifteenth (15th) day prior to the end of a fiscal year end or fiscal quarter of the Company and ends two (2) trading days after the issuance of a news release by the

Company disclosing such annual or quarterly results.³ Normal course communications are acceptable during the quiet period, provided that they are limited to publicly available or non-material matters.

Disclosure Record

The Company should maintain a file (for at least three years following the date of the applicable document) containing all known material public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors.

Responsibility for Electronic Communications

This Policy also applies to electronic communications. Under the oversight of the CEO, the CFO is responsible for overseeing material updates to the investor relations section of the Company's website to ensure that it is accurate, complete and up-to-date. The CFO is responsible for ensuring that the Company's website is in compliance with applicable securities laws. Any disclosure of material information on the Company's website should be preceded by the issuance of a news release. General legal disclaimers approved by legal counsel should be used on the website.

The CFO is also responsible for overseeing responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this Policy should be utilized in responding to electronic inquiries other than in the necessary course of business.

To ensure that no material undisclosed information is inadvertently disclosed, all employees are prohibited from participating in Internet chat rooms or newsgroup site discussions on matters pertaining to the Company's activities or its securities.

Communication and Enforcement

This Policy will be made available to all directors, officers, consultants, contractors and employees of the Company (either in hard copy, or via electronic means such as email or posting on the Company's intranet website) and Management will endeavor to ensure that all directors, officers, consultants, contractors and employees are aware of the existence of the Policy, its importance, and the Company's expectation that all directors, officers, consultants, contractors and employees will comply with this Policy.

Any person who violates this Policy may face disciplinary action up to and including termination of his or her employment or engagement/retainer with the Company. In addition, in many jurisdictions investors may have a civil right of action against the Company and against directors and certain officers and others to the extent that disclosure by the Company, including written disclosure and public oral statements, is materially misleading, insufficient or late. If it appears that a person who is in violation of this Policy is also in violation of securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could result in penalties, including fines and imprisonment.

The Company (acting through the Board of Directors or a committee of the Board) may, subject to applicable law, in its sole discretion from time to time permit departures from this Policy, either prospectively or retrospectively. No provision of this Policy is intended to give rise to civil liability on the part of the Company or its directors or officers, to shareholders, security holders, suppliers, customers, competitors, employees or other persons, or to any other liability whatsoever on their part.

³ See the Insider Trading Policy for a discussion about the meaning of two trading days.