North American Palladium Ltd. ("NAP" or the "Company") (TSX:PDL) (OTC PINK:PALDF) is pleased to announce that the Company has vested a 51% interest in the Sunday Lake Project (the "Project"). The decision to elect to continue investing in this platinum group metal (PGM) property was supported by encouraging drilling results from the PGM Zone, including the best intersection reported to date (41.2 m grading 3.22 g/t Pt, 2.08 g/t Pd and 0.21 g/t Au in drill hole SL-19-026). After completing two winter drilling programs, the Company has exceeded the mandated two-year exploration expenditure requirement and has completed the requisite cash payments to its partners, comprising $675,000 to Impala Platinum Holdings Limited ("Impalts") and $75,000 to Transition Metals Corp. ("Transition"). Accordingly, Impalts’ interest in the joint venture has been reduced to 24% while Transition maintains a 25% free carried interest through to the completion of a Feasibility Study.

Commenting on the transaction, Company CEO and President Jim Gallagher stated, “We are very pleased to partner with Impalts and Transition on the Sunday Lake Project, which is NAP’s best blue-sky opportunity and a key element of our long-term strategy to build an inventory of high-quality platinum group metal assets in the Thunder Bay region. We have demonstrated that the PGM Zone has significant lateral continuity and are now able to focus on areas of enhanced thickness and grade.”

About the Sunday Lake Project

The Sunday Lake PGM Project is located 25 km north of Thunder Bay in Jacques Township, approximately 60 km south of NAP’s Lac des Iles Mine operations ("LDI"). The property hosts the Sunday Lake Intrusion, which is part of
the Proterozoic Mid-Continental Rift magmatic event that produced the Eagle nickel deposit in Michigan (Lundin Mining) and the Tamarack (Rio Tinto – Talon Resources) and Duluth Complex (Antofagasta PLC) magmatic sulphide deposits in Minnesota.

About the Agreement

Prior to NAP vesting a 51% interest, the Project was a joint venture between Transition and Implats, whereby Implats held a 75% interest and Transition held a 25% free carried interest until the completion of a Feasibility Study, at which time Transition's interest would convert to a 25% participatory interest.

On June 20, 2017, Transition and Implats collectively signed an Option Agreement with NAP. The Agreement provides NAP with the exclusive right to acquire Implats' 75% ownership in the Sunday Lake Project by completing the following exploration expenditures and cash payments:

- **Stage 1:** NAP was entitled to acquire a 51% interest in the property by investing $1.5M in exploration expenditures and making cash payments of $75,000 to Transition and $675,000 to Implats within a two-year period. This stage has now been completed.

- **Stage 2:** NAP may increase its interest from 51% to 65% by investing an additional $2.5M in exploration expenditures and making further cash payments of $125,000 to Transition and $1.125M to Implats within a two-year period.

- **Stage 3:** NAP may further increase its interest from 65% to 75% by investing an additional $0.5M in exploration expenditures and making final cash payments of $150,000 to Transition and $1.35M to Implats within a one-year period.

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 within the meaning of National Instrument 43–101 and a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario, Engineers and Geoscientists BC, and Engineers Geoscientists Manitoba.

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 interest in Sunday Lake PGM Discovery 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 LDI 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 pay a dividend and/or 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 LDI, 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.

About North American Palladium Ltd.

North American Palladium (TSX:PDL) (OTC PINK:PALDF) is a Canadian company with 25 years of production at the Lac des Iles Mine in a low-risk jurisdiction northwest of Thunder Bay, Ontario. North American Palladium is the world's only pure play palladium producer. With over 700 employees, the Lac des Iles Mine features a unique, world-class ore body and modern infrastructure, including both an underground mine and surface operations.

For further information, please contact:
North American Palladium Investor Relations at 416-360-7374 or ir@nap.com.

Source: North American Palladium Ltd.