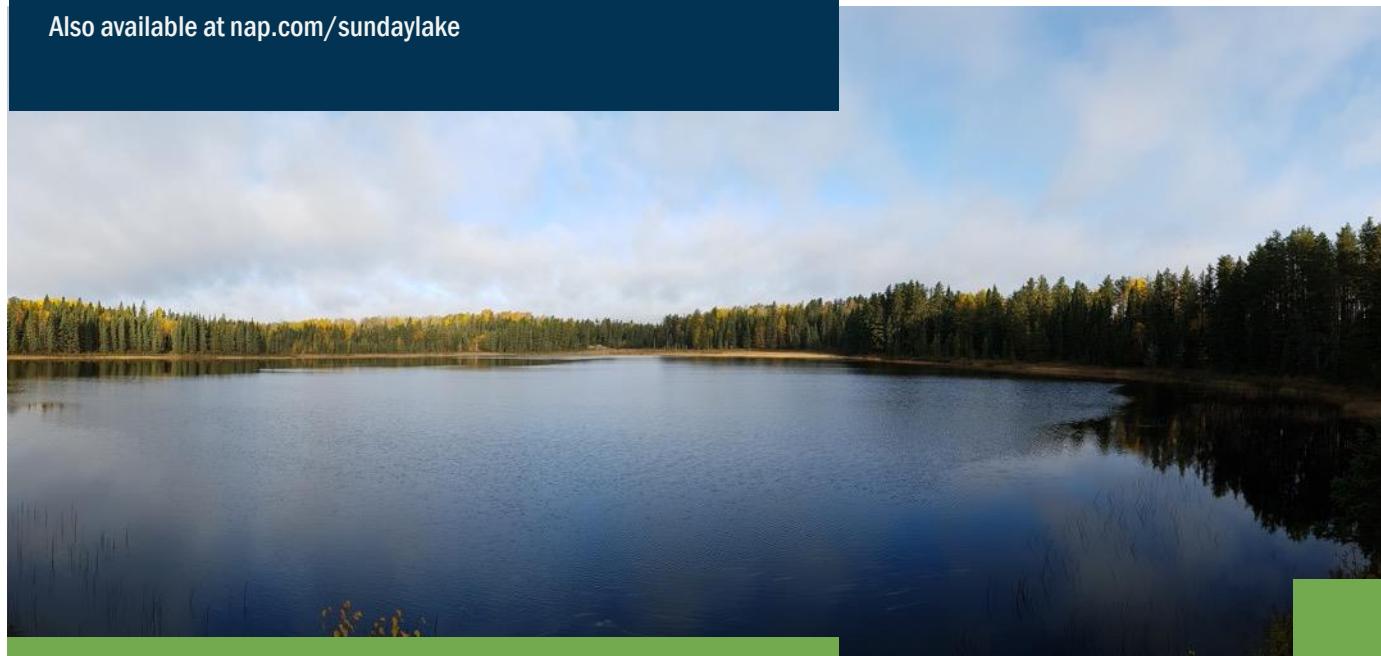


Sunday Lake Project Community Update

Also available at nap.com/sundaylake



Welcome to the second edition of our Sunday Lake Project Community Update Newsletter, which we have created to provide important information about the Project in addition to our regular Community Meetings.

Thank you for your continued feedback.

North American Palladium Acquires a 51% Interest in the Sunday Lake PGM Project

On August 19 it was announced that North American Palladium had vested a 51% interest in the Sunday Lake Project. The decision to increase our position and continue investing in this platinum group metal property (PGM) was supported by encouraging drilling results. Impala Platinum Holdings Limited's position has been reduced to 24% and Transition Metals Corporation will maintain its 25% interest.

Commenting on the transaction, Company CEO and President Jim Gallagher stated, "We are very pleased to partner with Implants 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."



Frequently Asked Questions

Q: When are you going to start drilling again?

A: Between November 2019 and January 2020.

Q: When will you know if there will be a mine at Sunday Lake or not?

A: Not for a number of years. A lot more drilling is required.

Q: Will there be an opportunity for me to ask questions about the upcoming drilling?

A: Yes! Please join us at the Community Update Meeting on September 25. Visit the 'Noteworthy Dates' section on the next page for details.

Have a question?

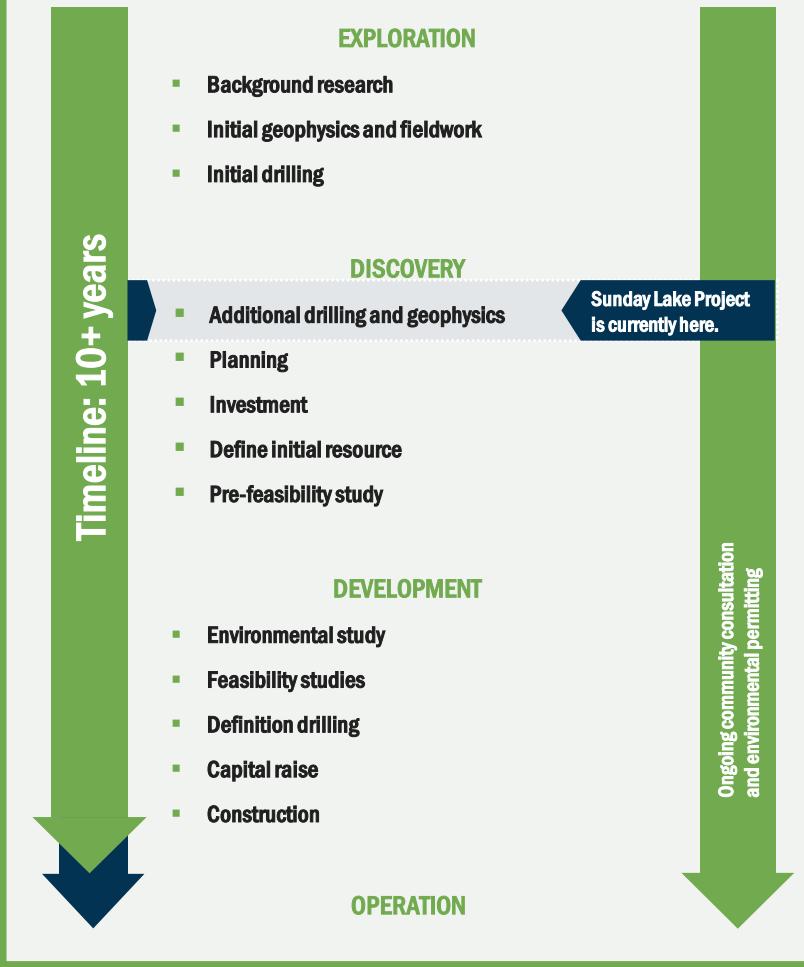
Contact us at

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Visit our website

www.nap.com/sundaylake

Development of a Mine: A 10+ Year Process



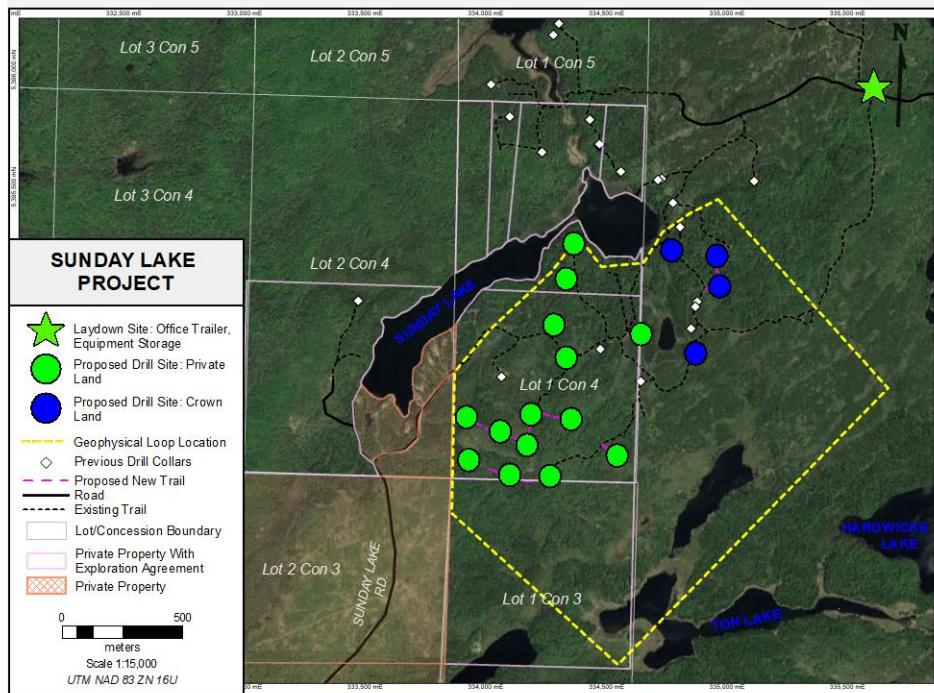
Drilling To Date:

39 diamond drill holes totaling 29,343 m have been drilled on the Sunday Lake property (made up of both Crown and Private land) by both NAP and previous exploration companies. This work has resulted in identifying a platinum, palladium, copper and nickel mineralized zone beneath the Sunday Lake property. Both drilling and geophysical surveying aid in determining the size, grade and value of the zone. The three-year permits that enabled the Crown Land drilling have recently expired.

Drilling Proposal Moving Forward:

NAP is submitting a proposal for a new Exploration Permit to enable us to complete diamond drilling activities on the Crown Land portion of property. In the meantime, the continuation of work on Private Land-based drill holes would start no earlier than November 1, 2019 and NAP will provide a notice of mobilization to community stakeholders.

A total of 18 drill sites are proposed (see map below). NAP may choose to drill multiple holes from each proposed site, reducing the overall footprint of the sites on the property. The total number of drill holes at each site are not known at this time and will depend on ongoing results from the drilling activities. All drill sites will be a minimum of 60 metres from any body of water.



Noteworthy Dates:

September

Stakeholder consultation meetings

September 25

Sunday Lake Community Update Meeting at the Victoria Inn, Thunder Bay

6:00pm-8:00pm

November 2019 - January 2020

Proposed drilling start-up



Noise Reduction Efforts:

During drilling, we'll be utilizing a number of different noise suppression instruments. We will test several industrial-grade exhaust mufflers for the drill's diesel engines and use rubber mallets to reduce the hammering sounds created from striking the steel drill rods.

Office trailers, supplies and heavy equipment will be stored in an existing staging area located near the end of Ton Lake Road.

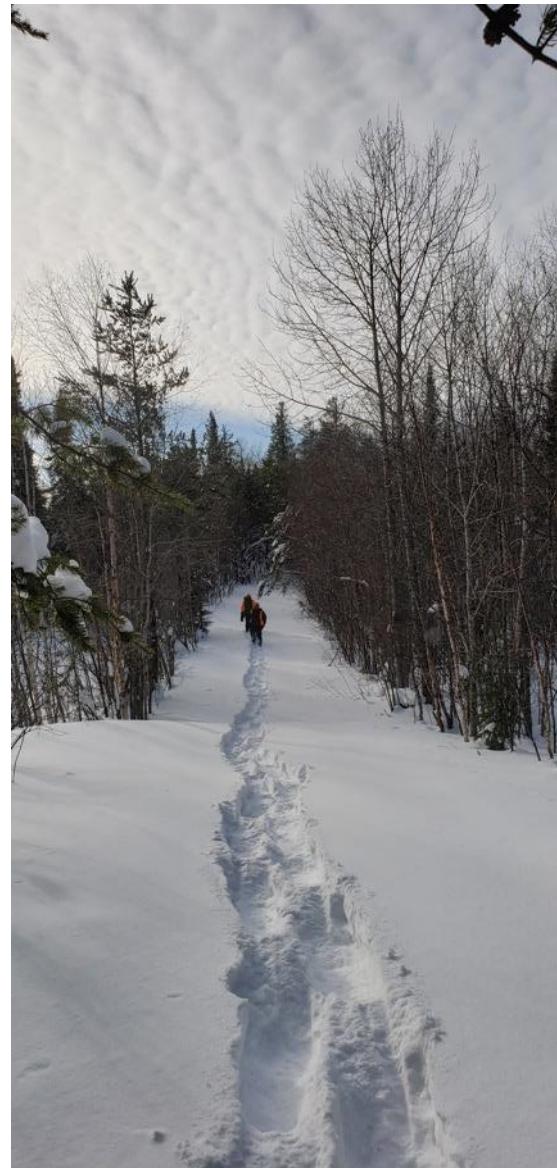
Getting To The Drill Sites:

Access to the project area will primarily be from Highway 527 and Ton Lake Road to the east of the project area. Pickup trucks, ATVs and/or snowmobiles will be used by workers to access the drills depending on trail conditions. NAP may occasionally use Sunday Lake Road to access the property if required but we will make efforts to keep travel to a minimum. However, given the shorter travel time to Sunday Lake Road, NAP does plan to utilize the end of the road as one of its Emergency Staging Areas in the event of injury during operations. This greatly improves safety access for workers.

Following The Drilling:

Borehole geophysical surveys are typically completed directly after or shortly after a drill hole is completed. This survey requires the deployment of insulated electrical cable in a large loop around the survey area. A generator applies a small, safe electrical current through the loop while workers move a probe up and down through the drill hole that is being surveyed. An Exploration Plan authorizing the use of geophysical surveys that require a generator remains in effect until January, 2021.

NAP continues to engage Woodlands Heritage North for critical assessment of all work sites with respect to areas of archeological significance.



Contact Us

We welcome feedback and are here to address your questions and concerns.

Email us anytime at
sunday.lake@nap.com
Visit our website www.nap.com/sundaylake