



North American Gem Acquires Appalachia Coal Corp.

October 2, 2008: North American Gem Inc. (TSX-V symbol: NAG) (The Company) is pleased to announce that the TSX Venture Exchange has accepted for filing an option agreement dated September 5, 2008 between North American Gem Inc. (the 'Company') and Appalachia Coal Corp., whereby the Company will acquire a 100% interest in Appalachia Coal Corp., a British Columbia incorporated company with 20,000 acres of coal leases located in Preston County, West Virginia.

North American Gem now controls approximately 20,000 acres of coal leases in West Virginia that are in various stages of permitting. Several different coal seams run on ACC's properties including the well known Kittanning seam currently being mined at Cleveland-Cliff's White Tail mine 6 miles from ACC's project.

The Company will pay, to the founders of Appalachia Coal Corp., \$200,000 in cash payments and 8,000,000, consisting of one (1) common share and one (1) common share purchase warrant exercisable at an exercise price of \$0.20 per share for a period of two (2) years from closing. North American Gem has also paid a \$15,000 finder's fee to Canaccord Capital Corporation.

Charles Desjardins will visit the West Virginia property early next week and will implement additional plans with the project's management team, to aggressively move the project forward.

Insider/Pro Group Participation:
Edward Reisner awarded 2,800,000 units.

North American Gem Inc. (TSX-V symbol: NAG) is a junior exploration Company based in Western Canada. The Company's primary goal is to explore for Coal in North America. In addition to Coal exploration the Company also has interest in Molybdenum, Gold, Copper and other base metals in Canada, in particular the **Louise Lake copper-gold-molybdenum-silver project** located in British Columbia. The Company is also pursuing Uranium projects, consisting of the **Whiskey Gap, Del Bonita, Western Basin, and Bonny Fault projects** located in Alberta; the **Mosquito Gulch** uranium property located in the North West Territories; and the **Ranger Lake** uranium property located in Ontario.

On Behalf of the Board of Directors
NORTH AMERICAN GEM INC.
"Charles Desjardins"

Charles Desjardins
President and Director

THE TSX VENTURE EXCHANGE DOES NOT TAKE RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS NEWS RELEASE.

Cautionary note:

This report contains forward looking statements, particularly those regarding cash flow, capital expenditures, and investment plans. Resource estimates, unless specifically noted, are considered speculative. The company has filed a National Instrument 43-101 resource estimate on the Louise Lake property. Any and all other resource or reserve estimates are historical in nature, and should not be relied upon. By their nature, forward looking statements involve risk and uncertainties because they relate to events and depend on factors that will or may occur in the future.

Actual results may vary depending upon exploration activities, industry production, commodity demand and pricing, currency exchange rates, and, but not limited to, general economic factors.

Cautionary Note to US investors: The U.S. Securities and Exchange Commission specifically prohibits the use of certain terms, such as "reserves" unless such figures are based upon actual production or formation tests and can be shown to be economically and legally producible under existing economic and operating conditions.