



North American Gem Extends Deadline on MOU to Acquire Appalachia Coal Corp.

September 30, 2008: North American Gem Inc. (TSX-V symbol: NAG) (The Company) and Appalachia Coal Corp. (ACC) have agreed to extend the deadline for the closing of the potential acquisition an additional two weeks. The closing will now occur on or before October 15th 2008 at 5:00 pm PST and is subject to obtaining all necessary consents, approvals and other authorizations of any regulatory authorities, shareholders or third parties.

Under the terms of the Memorandum Of Understanding (MOU), North American Gem intends to purchase 100% of the outstanding shares in ACC pursuant to a share exchange and other consideration. ACC currently 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.

Terms of the agreement are as follows:

- The Company has paid \$100,000 upon the execution of this MOU to ACC.
- Upon closing of this agreement the Company will issue 8,000,000 units, 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, to ACC.
- In addition the Company will pay \$200,000 to the founder upon closing of this agreement.
- A finder's fee will be payable on this transaction in accordance with TSX Venture Exchange policy.

Terms of the agreement are subject to TSX Venture Exchange approval.

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 American. 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

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.