



## **North American Gem Inc. Acquires Coal Property from Second Diamond Explorer to Hit Coal Northwest of Hudson Bay Saskatchewan** *Continues to add to its Coal permitting position in this new region*

**May 14, 2008:** North American Gem Inc. (TSX-V symbol: NAG) has signed an agreement with Adamas Minerals Corp. (Adamas) of Prince Alberta, Saskatchewan to grant North American Gem Inc. exclusive rights to coal, oil shale's and or all hydrocarbon discoveries on a land package on which coal permit applications have been submitted for, West of Hudson Bay, Saskatchewan. Included in this new potential land package acquired from Adamas, the Company has also submitted coal permit applications for another 578,234 acres, in addition to the previous acreage as stated in the Monday May 12, 2008 release. This now brings the current total land staking to approximately 927,613 acres, more than doubling our current application.

In 2007, Adamas was exploring a magnetic anomaly thought to be a kimberlite target in proximity to the most recent discovery by Goldsource Mines Inc. (TSX-V symbol: GXS) (Goldsource), in western Saskatchewan which has been recently shown to have a major potential for regional coal deposits. During this exploration program Adamas discovered a coal seam in the Cretaceous rock (Mannville Group Rocks) sequence containing coal similar to Goldsource. This 4 meter intercept is currently on a rush assay to Loring Laboratory out of Calgary, Alberta. This is same Laboratory that Goldsource had used and was chosen to maintain assay continuity.

Adamas has collected proprietary aeromagnetics data for the area of interest that has been made available to North American Gem Inc. to be used to further evaluate the area for coal deposits and other minerals that may be found therein. Historical data and reports suggest that coal is present to the north edge of the Cretaceous rock sequence along the shores of Wapawekka Lake to the north of the Adamas discovery and the reports further suggests that the Wapawekka out crop is likely associated with a larger deposit to the south. The Adamas intercept is directly south of Wapawekka Lake along the low lying basin adjacent to the south east of the Narrow Hills Uplands.

Goldsource made a significant coal discovery also while drilling for kimberlites in a low lying basin south east of the adjacent uplands at Pasquia Hills to the south east of the Narrow Hills intercept. The occurrence at Pasquia is roughly 80-100 km south east of the Narrow Hills and both have similar topographical features and are in the same Cretaceous rock sequence.

The Bow River coal outcrop occurs roughly 80-100km north west following the same topographic uplands leading edge which is patterned to the Canadian Shield boundaries lying north west to south east as both the Narrow Hills and Pasquia Hills are suggesting that the coal occurrences at the Bow River to the north west Wapawekka Lake and Narrow Hills central and the Pasquia Hills south east are associated with the same geological structures that would allow coal to have developed and remain intact through the glacial erosion. The regional topography clearly seen on the sedimentary basin coverage in central Saskatchewan is suggestive of similar topographic features that are highlands off set by adjacent low lands that were subject to high degrees of erosion. The continuity of coal from the Bow River out crop in the north west and the major coal discovery at Pasquia Hills Places the Wapawekka and Narrow Hills occurrence in the

central portion of the regional known coal occurrences and provides the opportunity to further explore the region for additional deposits.

Air-Borne Electromagnetic surveys are well suited for regional exploration of this nature and given the known location of the Adamas Coal intercept it is likely to provide a fast track to defining regional drill targets.

Charles Desjardins, President of North American Gem Inc. said, "We are excited to be a part of this discovery to the Northwest of Hudson Bay, Saskatchewan. We believe that this intercept along with the Goldsource find represents the possibility of a much larger coal system."

The terms of the agreement are as follows:

North American Gem Inc. will pay \$7,500 and 500,000 common shares of the Company to Adamas Mineral Corp. upon signing of the agreement. North American Gem Inc. will pay an additional 500,000 common shares of the Company once drilling has commenced.

The Company will confirm permit grants as documentation is received regarding these coal permits that have been forwarded to the government of Saskatchewan's permitting office. The time frame will be determined by the permitting office. North American Gem Inc. has submitted money in trust to the Saskatchewan permitting office.

North American Gem has made a commitment to be active in Saskatchewan for the exploration of coal, whether it be through successful staking by the Company or through joint venture opportunities. The recent coal discovery by Goldsource Mines Inc. of bituminous coal in two drill holes 1600 meters apart, suggests the potential for a much larger coal system. Goldsource believes the coal it encountered is from the Mannville/Swan River Group of Cretaceous age (Goldsource Mines Inc., Release May 5, 2008). Coal structures of the Cretaceous age are generally very large and can encompass several thousand square kilometers.

Mike Magrum, PEng, a qualified person under National Instrument 43-101, has approved the technical content of this news release.

**About North American Gem Inc.** 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 Uranium, Molybdenum, Gold, Copper, and other base metals in Canada. The Company is actively pursuing several opportunities, including the Louise Lake copper-gold-molybdenum-silver project located in British Columbia. The Company is also pursuing its uranium projects, consisting of the Whiskey Gap, Del Bonita, Western Basin, and Bonny Fault projects, all located in Alberta. In addition the Company is also pursuing its 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 HAS NOT YET REVIEWED AND 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.