



NORTH AMERICAN GEM INC.

430 – 609 Granville Street  
Vancouver, BC, Canada V7Y 1G5  
Phone 604-683-5445 // Facsimile 604-687-9631  
info@northamericangem.com  
www.northamericangem.com  
TSX-Venture: NAG

## **North American Gem Inc. Continues to add to its Coal permitting position West of Hudson Bay, Saskatchewan**

**May 12, 2008:** North American Gem Inc. (TSX-V symbol: NAG) is pleased to announce that the Company has submitted coal permit applications for another 96,478 acres, in addition to the previous acreage as stated in the Thursday May 8, 2008 release. This now brings the current total land staking to approximately 349,379 acres, the Company continues to add to its potential land position in proximity to the recent Goldsource Mines Inc. (TSX-V symbol: GXS)(Goldsource) discovery, in east-central Saskatchewan.

Charles Desjardins, President of North American Gem Inc. said, “The Company believes in the long term viability of this promising coal basin and has continued to stake based on the quality information that has been made available to North American Gem Inc.”

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.

North American Gem Inc. would like to announce that pursuant to its stock option plan, the Company has granted incentive stock options to its directors, officers, consultants, and employees to purchase 1 million common shares in the capital stock of the company, exercisable for a period of two years, at a price of 15 cents per share. These options are subject to a four-month hold period.

**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.