



NORTH AMERICAN GEM INC.

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TSX-Venture: NAG

North American Gem Inc. Applies for Coal Permitting North of Hudson Bay, Saskatchewan

May 7, 2008: North American Gem Inc. (TSX-V symbol: NAG) is pleased to announce that the Company has submitted coal permit applications encompassing approximately 134,168 acres in proximity to the recent Goldsource Mines Inc. (TSX-V symbol: GXS)(Goldsource) discovery, in east-central Saskatchewan. A further 5,683 acres has been acquired through a third party arms-length option agreement purchased for \$7,500 plus 100,000 common shares of the Company in the first year, and another \$7,500 in the second year plus 100,000 common shares of the Company. This brings the current total land staking to approximately 139,851 acres, as additional coal permitting is ongoing.

The Company will keep the shareholders aware of any progress 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.

The Company 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.

“The recent coal discovery by Goldsource Mines Inc. is potentially the tip of the iceberg. We believe that this could be the beginning of a new major coal region in the mining friendly province of Saskatchewan,” said Charles Desjardins, President of North American Gem Inc., “The Company plans to aggressively explore successful permits.”

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.