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TSX-Venture: NAG

North American Gem Inc. Receives Additional Coal Prospecting Permits North Of Hudson Bay, Saskatchewan

The Company has received an additional 154 Coal Prospecting Permits

October 21, 2008: North American Gem Inc. (TSX-V symbol: NAG) (The Company) would like to announce that the Company has received an additional 154 Coal Prospecting Permits from Saskatchewan Energy and Resources, near the most recent coal discovery by Goldsource Mines Inc. (TSX-V symbol: GXS). This now brings the total to 223 Coal Prospecting Permits covering an area of 422,135 acres (200,832 hectares) that have been approved by Saskatchewan Energy and Resources.

North American Gem would also like to announce that several second priority permits have been advanced to first priority status, increasing the total of first priority status to 895 confirmed coal prospecting permit applications (not including the 223 approved applications).

“We are pleased to see our first priority status increase at this stage in the permitting process,” said Charles Desjardins, President of North American Gem Inc., “We have made a commitment to be a major land holder in this newly discovered region, and we are well on our way as our permits continue to receive approval.”

All of the ground that has been applied for has been done so in accordance with all the rules and regulations set forth by the government of Saskatchewan's permitting office. As with all other companies applying for coal dispositions in Saskatchewan, North American Gem Ltd., has its applications and coal prospecting permits subject to the Saskatchewan government's approval process.

Researchers were hired by North American Gem, immediately following initial permitting, to search for relative historical data in the potential Saskatchewan coal basin. The recovered data will help to guide the initial exploration program.

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

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, currently the focus is in Saskatchewan and West Virginia. In addition to Coal exploration, the Company also has interest in Uranium, Copper, Gold, Molybdenum and other base metals in Canada. The Company has advanced the Louise Lake copper-gold-molybdenum-silver project, located in British Columbia, to produce a 43-101 compliant Resource estimate. In Alberta, the Whiskey Gap, Del Bonita, Western Basin, and Bonny Fault projects are being explored for Uranium potential. 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 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.