



## **Sub-Bituminous A Coal Assayed at Adamas Discovery West of Hudson Bay, Saskatchewan**

**May 20, 2008:** North American Gem Inc. (TSX-V symbol: NAG) is pleased to have received the coal results for drill core samples recently sent to be analyzed for coal quality and integrity. Upon the arrival of the sample, it was evident that the coal had suffered some oxidization and degradation due to exposure while remaining out in the core boxes uncovered and exposed to the elements. Coal is considered to be extremely sensitive to oxidization while compared to other commodities that require no special handling during drilling or storage while in the core boxes.

Despite the likelihood of some grade loss, the samples graded Sub-bituminous A quality. This is highly encouraging as the coal would have likely deteriorated to some degree and suggests that the sample may be of better quality in an unoxidized state.

Further to the initial four meter coal intercept, it was determined that a significant layer of intact Mannville rock types were encountered suggesting that the immediate area was not subject to a high degree of erosion which has preserved the Mannville sequence containing the coal beds. It was also noted that coal partings and staining was evident in an additional four meter section directly overlying the four meter coal intercept. Even more encouraging was the identification of an additional (one meter) coal seam that was encountered twelve meters above the coal seam originally reported. This seam is also associated with apparent coal partings and staining of the Mannville rocks in a four meter section surrounding this seam. The nature of the second coal seam appears to be similar to the first (four meter) seam. Samples from this additional coal seam will be sent to Loring Laboratories in Calgary, Alberta and the results will be reported when received.

It is believed that the coal found in the Narrow Hills region remains intact and has avoided erosion through a significant stratigraphic section of the Manville. The region surrounding this discovery will be tested for thicker coal seams. The discovery of coal in the Adamas drill hole has allowed North American Gem Inc. to design an air-borne electromagnetic survey to focus on areas immediately surrounding the coal discovery, which will determine the extent of this deposit. The widespread nature of the coal drill intercepts and historical data illustrate the widespread potential for coal deposits.

North American Gem Inc. has submitted applications for coal permits to cover the entire region of the discovery and will actively begin exploration work to further evaluate the nature of the regional potential to define further coal deposits throughout.

### **The Company Continues Selective Land Acquisition**

The Company has submitted coal permit applications for a final total of 950,377 acres. Within this total acreage, is the ground associated Adamas Minerals Corp. (Adamas) of Prince Albert, where North American Gem Inc. has the exclusive rights to exploit coal, oil shale's and or all hydrocarbons on the land package west of Hudson Bay, Saskatchewan. The potential land

holdings have access to highway, CN and CP Rail, and has electrical infrastructure all running through the property.

### **Overview**

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. During this exploration program Adamas discovered a coal seam in the Cretaceous rock (Mannville Group Rocks) sequence containing coal similar to Goldsource, confirming the regional potential for coal deposits.

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. These reports further suggest 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 also made a significant coal discovery 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 80-100 km northwest of the project area following the same topographic uplands leading edge which is patterned to the Canadian Shield boundaries lying northwest to the southeast. This suggests that the coal occurrences at the Bow River to the northwest of Wapawekka Lake and Narrow Hills central and the Pasquia Hills southeast are associated with the same geological structures that would allow coal to have developed and remain intact through the glacial erosion. The continuity of coal from the Bow River out crop in the northwest 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 outline a broad area for future exploration.

Airborne 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.

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 permitting 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 stratigraphic 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.