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TSX-Venture: NAG

North American Gem Inc. Receives Additional “Comfort Letters” for Saskatchewan Coal Prospecting Permits Bringing the Total to 1,387,863 acres (561,888 hectares) of First Priority Applications
North American Gem and its’ Advisory Board meets with Saskatchewan’s Energy and Resources Minister

July 14, 2008: North American Gem Inc. (TSX-V symbol: NAG) has now received First Priority “Comfort letters” for 1,387,863 acres (71 Townships) from Saskatchewan Energy and Resources. The Company is waiting on the status for another 8 Townships of Coal Prospecting Permit to be approved.

On July 9th Charles Desjardins, President of North American Gem Inc. and two of his advisors; Mr. Alan Johnson and Mr. Harvey Dickson met with Saskatchewan's Energy and Resources Minister, Bill Boyd and a number of senior officials in his ministry. These meetings were constructive and Mr. Desjardins was very encouraged by Minister Boyd's interest and support for the potential contribution that new coal developments may have on the economy in central Saskatchewan. The Ministry is aware of the need to develop policy change which will adapt to this new type of coal system recently discovered in Saskatchewan.

The Company is currently awaiting its Coal Prospecting Permit approval for the Adamas Property which would allow exploration to commence. North American Gem Inc. has First Priority status on the township that holds the Adamas Discovery. Despite the likelihood of some grade loss, the samples graded Sub-bituminous A (43-101 compliant) quality over 5 meters. 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.

The Company has filed and fully paid for 786 Coal Disposition applications to date. 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. The standard issue Comfort letter states “the extent to which the land described in these applications can be issued has not been investigated, and therefore this letter should not be construed as an indication that any land will be issued, as a full review is still to be completed.”

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 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.

North American Gem Inc. has also received First Priority "Comfort letters" on its Coal Permits Applications bordering the east and west of the Weststar Resources Corp. (TSX-V symbol: WER) potential position. North American Gem Inc. has been advised that it has Second Priority on Weststar Resources potential position.

North American Gem Inc. anticipates being a major land holder in this new coal region of Saskatchewan. The Company will commit to aggressive exploration and is currently assembling an outstanding Board of Advisors with expertise in the area of coal exploration. The Company plans to first twin the Adamas discovery hole to get a true grade of the quality of the coal at that location, and further exploration holes in the area of the discovery.

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. The Company has also filed Coal Permit Applications for up to 1.4 million acres north of Hudson Bay and east of Prince Albert, Saskatchewan.

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.