



NORTH AMERICAN GEM INC.

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TSX-Venture: NAG

## North American Gem Inc. Announces Property Acquisition and Application for Coal Prospecting Permits in West Virginia

**January 12, 2009:** North American Gem Inc. (TSX-V symbol: NAG) (the “Company”) announces the acquisition of a further coal parcel in West Virginia known as the Dalton Tract. The property is approximately 130 acres and hosts three coal seams including the Little Clarksburg, the Elk Lick and the Harlem. The outcroppings on each of the seams are visible and have been viewed by Company representatives in West Virginia. The overburden is ten to thirty feet thick and consists of shale and sandstone. The site is readily accessible with the proper infrastructure in place providing easy access for equipment, machinery and trucks in and out of the site.

The Company has applied for a prospecting permit on the property which will allow for drilling and further samples to be collected towards a full mining permit application. The drill program will include a drill hole for soil and coal samples as well as approximately four or five additional holes to determine a National Instrument 43-101 resource estimate for the property. Once the prospecting permit is acquired the Company will pursue the full permitting application process to enable the most expedient route to potential coal production, subject to the results of the drill program.

Appalachia Coal Corporation, a wholly owned subsidiary of North American Gem Inc. will grant an overriding royalty of 6.5% to the collective vendors of the property on all coal extracted as well as a reimbursement of certain property expenses to date, (these expenses totaled \$6,500 US). The Company anticipates it will be able to announce reserve estimates on the property and provide potential revenue numbers as well as more details on the timing of the potential coal extraction once the prospect permitting and application processes are completed.

All current work on the West Virginia properties is being supervised by Mike Green of Green Engineering, Inc., who is a registered professional engineer in Philippi, West Virginia, and will be operating as the Company's qualified person under National Instrument 43-101. Mr. Green has reviewed the technical content of this news release and confirms its accuracy. Mr. Green is independent of the Company.

**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 and has produced a NI 43-101 compliant Resource estimate (included in its NI 43-101 Technical Report dated July 14, 2006 and filed on SEDAR). In Alberta, the Whiskey Gap and Western Basin Uranium potential projects. The Mosquito Gulch Uranium property located in the Northwest 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.