



North American Gem Inc.

430 – 609 Granville Street
Vancouver, BC, Canada V7Y 1G5
Phone 604-683-5445 // Facsimile 604-687-9631
info@northamericangem.com
www.northamericangem.com
TSX-Venture: NAG

North American Gem Inc. Shipping Coal

August 23, 2010: North American Gem Inc. (NAG) (TSX-V symbol: NAG) reports that, further to its news release dated August 4th announcing the commencement of mining at the North American Gem #2 Mine, it has now begun to ship and sell the coal. Kentucky Mine Partners LLC (KMP) is performing the mining operations.

The North American Gem #2 Mine is a surface mining and augering operation. The main focus of NAG's leasing and permitting strategy is to acquire and develop properties in areas where mining has occurred before the enactment of the Surface Mining Reclamation and Control act of 1977. Mining is more cost effective on previously mined land than in areas that have not been disturbed. NAG will also provide the service of reclaiming previously mined land that would not have been completed otherwise.

"NAG is looking forward to increasing production at the North American Gem #2 Mine as well as commencing operations of additional projects," stated Charles Desjardins, President of North American Gem Inc. "This includes the North American Gem Processing Facility. This facility has equipment in place that is capable of crushing and screening coal. We will have the ability to purchase outside coal to produce custom blended products for customers, which will increase market potential. Specifically, plans are to service the industrial stoker markets, silicon metal producers, and electricity generators."

Mr. Dean Schafer is acting as general manager of the Company's Kentucky coal leases and is currently implementing an overall mine plan.

Ms. Deborah Moses, PEng, PLS, REM, of Engineering Consulting Services Inc. (ECSI) is the qualified person for the Company's coal operations in Kentucky.

North American Gem Inc. (TSX-V symbol: NAG) is a junior resource company in Western Canada. The company's major focus is expanding its coal mining operations at its flagship properties in Kentucky. In addition, the company has interests in coal, copper, molybdenum, and other base metals in Canada.

On Behalf of the Board of Directors
NORTH AMERICAN GEM INC.
"Charles Desjardins"

Charles Desjardins
President and Director

"Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release."

Cautionary note:

This report contains forward looking statements. Resource estimates, unless specifically noted, are considered speculative. Any and all other resource or reserve estimates are historical in nature, and should not be relied upon. The production rate and mine-life projections have been made without support of a feasibility study, there is no certainty the proposed operations will be economically viable. 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.