



North American Gem Inc.

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TSX-Venture: NAG

North American Gem Inc. Posts Bond and Files for Permit Transfer on North American Gem #2 Mine in Kentucky

June 4 , 2010: North American Gem Inc. (NAG) (TSX-V symbol: NAG) through its subsidiary, North American Gem US, Inc. has posted the required reclamation bond and submitted the permit transfer application to the Kentucky Department of Natural Resources for the transfer of Mine permit #861-0443 in the name of Jamieson Construction, Inc. to North American Gem US, Inc. A new permit number will be assigned and the mine will be known as North American Gem #2 Mine. The permit transfer process typically takes approximately 30 days to complete.

Kentucky Mine Partners LLC (KMP) has mobilized the mining equipment to the newly acquired North American Gem #2 Mine, in Knox County, Kentucky. Upon completion of the permit transfer to North American Gem US, Inc., mining can commence immediately. Initial production is planned for a production rate of 8,000 - 10,000 tons per month with the capability of doubling that production. The North American Gem #2 Mine will be a surface mining and augering operation.

The signing of a definitive agreement to acquire the fully operational surface coal mine (North American Gem #2 Mine) with both minable Blue Gem and Jellico coal seams was announced March 31st 2010. Drilling at the recently acquired mine site has been completed and NAG was pleased with the quality of the coal at the mine site.

North American Gem #2 Mine will produce from both the Blue Gem coal seam and the Jellico coal seam once the permit is officially transferred from the current operator. The coal produced at the North American Gem #2 Mine location will be treated at the North American Tipple Facility.

All of NAG's potential mining operations will incorporate sediment control methods that will keep ahead of the increased regulations and restrictions. Furthermore, in anticipation of increased regulations, NAG has, in all of its permitting applications, begun the sampling of receiving streams and groundwater wells utilizing the most stringent and extensive sampling parameters. This will allow NAG to comply with the regulatory requirements and will also result in a much shorter and smoother permitting application process.

The North American Tipple Facility will serve as the central operation and distribution point for coal produced by NAG's mining operations. The facility has equipment in place that is capable of crushing, screening, and washing coal. This gives North American Gem Inc. the added dimension to service a variety of customers by preparing coal to meet their specific requirements. North American Gem Inc. will also have the ability to purchase outside coal to produce custom blended products 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 operations manager of all 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 Exploration Company based in Western Canada. The Company's primary goal is to explore for Coal in North America, currently the focus is in Kentucky, Saskatchewan, and West Virginia. In addition to Coal exploration, the Company also has interests in Uranium, Copper, Gold, 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

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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.