



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. has Commenced Drilling in Saskatchewan

August 29, 2011: North American Gem Inc. (NAG) (TSX-V symbol: NAG) reports that DJ Drilling LTD. of Aldergrove, B.C., has commenced drilling near Hudson Bay, Saskatchewan. NAG has permitted five fully approved drill locations to the south of the Goldsource Mines “Border Property”.

The Hudson Bay area has been the target of coal exploration by various companies since the discovery drill hole by Goldsource in 2008. This discovery has resulted in a NI 43-101 estimate of coal resources in several small basins that include 79.2 million Indicated tonnes plus 33.0 million Inferred tonnes on the Border properties (March 17, 2011 News Release). Across the border, in Manitoba, Westcore Energy LTD. has intersected coal units of up to 99.0 m in composite thickness (March 2, 2011 News Release).

Nearer to the NAG permits, Saturn Minerals Inc. has discovered one coal basin which contains two significant coal seams at an average depth of 100 to 110 m with coal units up to 9.6 m in thickness.

NAG has engaged Dahrouge Geological Consulting Ltd. (Dahrouge) of Edmonton, Alberta, to manage its Saskatchewan coal exploration. Dahrouge has significant experience in exploring for, and developing deposits of thermal coal within the Western Canada Sedimentary Basin.

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by Jody Dahrouge, P.Geol., of Dahrouge Geological Consulting Ltd., a qualified person.

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

“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.