



North American Gem Inc.

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TSX-Venture: NAG

North American Gem Inc. Prepares to Drill Kentucky Properties

November 3, 2009: North American Gem Inc. (NAG) (TSX-V symbol: NAG) is pleased to announce an agreement with Durabo Drilling of Corbin, Kentucky for the drilling of the leases recently acquired from Lonesome Pine Leasing known as the North American Gem Mining Permit #3 and the North American Gem Mining Permit #4. The permitting process is currently underway for both North American Gem Mining Permit #3 and North American Gem Mining Permit #4 for the purpose of submitting an official permit application to the Kentucky Department of Natural Resources (KDNR).

The purpose of the program is to drill and prove the presence of mineable coal seams that are known to exist below the Blue Gem Seam. The drill core data collected will potentially allow NAG to prepare a certified engineering report with an accurate calculation of a mineable coal reserve of the Blue Gem coal and also the coal seams known to exist below the Blue Gem seam. The specific seam being drilled for has been encountered in the process of oil and natural gas drilling in the area and has been measured in thickness from 1.5-2 metres in thickness and is believed to be a low sulfur, high btu seam.

The drill program will provide the means to obtain a laboratory analysis which will determine the actual quality and characteristics of the coal seams. The analysis of the data will also help NAG develop the most efficient mining plan for both North American Gem Mining Permit #3 and North American Gem Mining Permit #4.

In total, North American Gem Inc. has leased approximately 5,000 acres of coal reserves in Knox and Whitley Counties in Kentucky. NAG is actively developing a total of 7 leases for mining permits, the first of which, North American Gem #1 Mine is currently completing development and is expected to produce the first marketable coal within days.

All of North American Gem Inc.'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 Gem mining operation establishes NAG as a coal producer with the ability to enter into supply contracts. The supply contracts established by production from the North American Gem Mine #1 are expected to be expanded upon as the Company increases operations in the area. The performance and capabilities of production from the North American Gem Mine #1 will determine the point at which further production from additional leases is commenced.

North American Gem Inc. is expecting approval of the official permit application submitted for the North American Gem Mining Permit #2 from the Kentucky Department of Natural Resources (KDNR) shortly.

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

Mike Magrum, PEng, a qualified person under National Instrument 43-101, has approved the technical content of this news release.

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.