



MANAGEMENT DISCUSSION AND ANALYSIS THREE MONTH PERIOD ENDED MARCH 31, 2006

The following discussion and analysis, prepared as of May 28, 2006, should be read together with the First Quarter financial statements for the three month period ended March 31, 2006 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

Overview

The Company is in the resource exploration/development and production business. The Company has leased and acquired mineral rights to properties located near Port Hardy on Vancouver Island and near Powell River. These properties are industrial mineral properties containing cement feedstock materials and Kaolin as well as a strong potential for development of base and precious metal deposits. The company has been continuously shipping product to a Seattle Cement Plant since October 2003.

The company currently trades on the TSX Venture Exchange under the symbol ELT.

The following is a summary of significant events and transactions that occurred during the quarter. Specifically:

A total of 22,828 tonnes were shipped in five barge loads #46 to 50. Barge #50 was shipped on March 20, 2006.

The Company and its major customer entered into a loan agreement dated April 1, 2004 whereby the major customer agreed to establish a secured loan facility to enable the Company to purchase production equipment. All advances bear interest at 8% per annum and are repayable on the basis of \$1.00 per tonne of product purchased by the major customer starting with Load 28 on May 21/05. Two new trucks and 4 axle trailers were purchased in early 2005.

The Company has received, from the Ministry of Mines, a long term permit dated March 13/06 to mine chalky geyserrite up to the amount of 249,000 tonnes per year. This permit approves Electra's five-year Mine Plan and Water Mitigation System.

The Company entered into a Letter Agreement dated February 3, 2005 with Lumina Copper Corp. for the exploration development and mining of mineral resources within the North Island Apple Bay Claims. Lumina may earn a 100% in the property by making a total of \$200,000 in cash payments over time to the Company and upon a production decision, paying an additional \$800,000 in cash or shares. The Company retains the right to explore and exploit the property for non-metallic industrial minerals, and in addition, Lumina grants the right to the Company to explore its Hushamu claims for non-metallic industrial minerals. The Company received its second payment from Lumina on February 3, 2006.



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Results of Operations

The Company has experienced 10 consecutive quarters of commercial production. The volume of chalky geyselite shipped in the fourth quarter of 2005 was 32,793.5 tonnes. The first quarter of 2006 had lower revenues as usual since normally cement plants have planned maintenance shut downs in the first quarters of the year and demand for raw materials is lower in the first quarter than for the rest of the year.

Cost of sales in the period \$409,965 (December 31, 2005 \$2,172,687) can be compared with the sales of \$616,852 (December 31, 2004 \$1,588,115).

Selected Financial Information

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005	Year Ended December 31, 2005	Year Ended December 31, 2004	Year Ended December 31, 2003
	\$	\$	\$	\$	\$
Revenue	425,276	616,852	2,485,269	1,588,115	502,520
Income/(Loss) before discontinued operations	N/A	N/A	N/A	N/A	N/A
Net Income/(Loss)	(134,263)	69,369	(127,192)	(107,478)	(817,211)
Basic and Diluted Income/(Loss) per share before discontinued operations	N/A	N/A	N/A	N/A	N/A
Basic and Diluted Income/(Loss) per share	0.00	0.00	(0.01)	(0.01)	(0.06)
Total Assets	1,430,588	1,136,119	1,522,236	1,082,213	765,508
Total Long Term Liabilities	129,416	275,576	467,773	57,700	-
Cash Dividends declared per share	-	-	-	-	-

Liquidity & Solvency

The Company has financed its operations to date primarily through the issuance of common shares, exercise of stock options and the sale of chalky geyselite to cement companies. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to deliver a satisfactory product, raise adequate financing and to lower production costs to realize overall corporate profitability in the future coupled with lower corporate expenses.

	March 31 2006	March 31 2005
Working Capital	(436,233)	(132,156)
Deficit	(13,208,136)	(12,877,312)



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As at March 31, 2006 the Company held \$236,291 of cash in treasury and net income for the period of \$(134,263).

Net cash used for investing activities for the period ended March 31, 2006 was \$28,800 compared to net cash used by investing activities of \$(40,700) during the year ended December 31, 2005.

Financing activities provided cash of \$Nil during the period ended March 31, 2006 compared to \$201,632 for the year ended December 31, 2005.

Summary of Quarterly Results

	2006		2005				2004			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue	425,276	632,659	588,810	646,958	616,852	653,500	364,061	455,944	114,610	
Net Income/(Loss)	(134,263)	(21,891)	(124,210)	(50,460)	69,369	(13,116)	(80,480)	(19,732)	5,850	
Basic and Diluted Income/(Loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	

Capital Resources

The Company has sufficient funds to meet its operational expenses for 2006 and cover anticipated administrative expenses throughout the year. It will continue to focus on the chalky geysirite production at its PEM100 Quarry site in Port Hardy and lowering administrative expenses. A research and development program at the Lang Bay property is underway!

Related Party Transactions

The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$9,000 (2005 - \$35,700) to an officer of the Company.
- b) Paid or accrued geological fees of \$13,200 (2005 - \$60,700) to the Company's president that were included in deferred exploration costs pursuant to the Apple Bay Agreement.
- c) Paid or accrued geological fees of \$6,400 (2005 - \$NIL) to the Company's president that were included in deferred exploration costs pursuant to the Lang Bay Agreement and \$1,705 (2005 - \$NIL) of general expenses to the president and a company controlled by the president.
- d) Paid or accrued royalties totaling \$9,131 (2005 - \$75,134) and \$5,359 (2005 - \$30,057) of general expenses to the president and a company controlled by the president.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.



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Share Data

	Number of Shares	Share Capital \$	Contributed Surplus \$	Total \$
Authorized				
100,000,000 common shares without par value				
Issued				
Balance as at December 31, 2004	19,427,249	12,766,374	352,291	13,118,665
Shares issued in settlement of debt	975,334	252,047	-	252,047
Exercise of stock options	50,000	7,000	(2,000)	5,000
Shares issued for finance fees	176,000	21,120	-	21,120
Private placement at \$0.08 per share	1,637,500	131,000	-	131,000
Private placement at \$0.08 per share	1,250,000	100,000	-	100,000
Finders' fees for private placement				
Cash	-	(10,000)	-	(10,000)
Agent's warrants		(4,792)	4,792	-
Renounced flow through share expenditures	-	(29,160)	-	(29,160)
Stock-based compensation	-	-	95,105	95,105
Balance as at December 31, 2005	23,516,083	13,233,589	450,188	13,683,777
Stock-based compensation			9,188	9,188
Balance as at March 31, 2006	23,516,083	13,233,589	459,376	13,692,965

Stock options transactions are summarized as follows for the period ended March 31, 2006 and December 31, 2005:

On January 19, 2006, the Company entered into a six month term letter of understanding with for consulting services, whereby the Company will compensate the consultant by the issuance of 470,522 stock options, issued at \$0.15 each, an exercise price of \$0.10 each and expire on March 27, 2008.

	2006		2005	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	1,550,000	\$ 0.10	1,350,000	\$ 0.10
Granted	470,522	0.10	1,550,000	0.10
Exercised	-	0.10	(50,000)	0.10
Expired	-	0.10	(1,300,000)	0.10
Outstanding, end of year	2,020,522	\$ 0.10	1,550,000	\$ 0.10
Exercisable, end of year	1,292,630	\$ 0.10	1,175,000	\$ 0.10



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Warrant transactions are summarized as follows for the period ended March 31, 2006 and December 31, 2005:

	2006		2005	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period	3,012,500	\$ 0.10	447,200	\$ 0.35
Granted	-	0.10	3,012,500	0.10
Exercised	-	0.10	-	0.10
Expired	-	-	(447,200)	0.35
Outstanding, end of period	3,012,500	\$ 0.10	3,012,500	\$ 0.10

Subsequent Events

On May 4, 2006 the Company closed a non-brokered private placement of 1,876,667 units at a price of \$0.12 a unit. Each unit consists of one common share and one purchase warrant. The warrants are exercisable from the date of grant at \$0.20 in the first year and \$0.30 in the second year and expire on May 4, 2008. The Company will use \$110,000 of the proceeds to post a reclamation bond and release the five individuals from the bond they posted on the Company's behalf.

On April 12, 2006 the Company announced the acquisition of new claims in the immediate Port Hardy Area covering a sandstone-shale sequence that was diamond drilled and trenched by the company in 2001 and 2002. A bulk sample of this material was previously delivered to a cement producer in the Vancouver Area.

On April 6, 2006 312,500 warrants were exercised for \$0.10 each.

Electra has entered into discussions with another Cement Producer in the Vancouver Area to deliver a blended product of chalky geyserrite and sandstone/shale containing lower silica, but slightly higher Na₂O and K₂O and higher F₂O₃. Preliminary discussions have been held with the District of Port Hardy on a Development Permit for a bulk sample.

Outlook

The Company's continuing focus will be on sustained production of chalky geyserrite at the PEM100 Quarry in Port Hardy. The development of a docking port located on the west side of the island will contribute to the reduction of hauling cost for the product. The Company is also working with its major customer in pricing of the chalky geyserrite to facilitate the sharing of administrative costs. Based on results of current production and new product development, the Company remains confident that production will be met for all outstanding orders.

Caution Regarding Forward-looking Information

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company available for view on SEDAR at www.sedar.com.