

ELECTRA GOLD LTD

MANAGEMENT DISCUSSION AND ANALYSIS THREE MONTH PERIOD ENDED SEPTEMBER 30, 2007

The following discussion and analysis, prepared as of November 23, 2007, should be read together with the Third Quarter financial statements for the three month period ended September 30, 2007 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 optioned to Lumina Copper Corp. 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 22,712.70 tonnes were shipped to Ash Grove Cement in two barge loads #82 and 83. A barge was also delivered to the Lafarge Cement Plant in Richmond, B.C. amounting to 4,453 tonnes.

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 \$1.50 per tonne of product purchased by the major customer starting with Load 28 on May 21/05. Two new Tridem 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 geysersite 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, 2006 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 third payment from Lumina on February 3, 2007.

Electra has entered into discussions with another Cement Producer in the Vancouver Area to deliver a blended product of chalky geysersite 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. Ongoing sampling and discussions are being held with Lafarge on a 30 day industrial trial for early in 2008.

At the Annual General Meeting held on June 30, 2007 a new Director, Tom Nelson was elected to bring the total number of Directors to 7 and subsequently on July 13, 2007 director Fran Hunt Jinnouchi resigned as a director for Electra Gold Ltd., shortly after her term of chief for Quatsino First Nations expired, to bring the current director number to 6.

Results of Operations

The Company has experienced 16 consecutive quarters of commercial production. The volume of chalky geyselite shipped in the third quarter of 2007 was 27,165.70 tonnes. The third quarter of 2007 had higher revenues than usual in this period due a shipment of \$155,066 to a new Canadian customer trial. Due to increased sales and continued cost cutting measures, the Company has reached a net income position for the quarter.

Cost of sales in the period \$698,943 (September 30, 2006, \$537,839) are higher than the comparable period of 2006 due to increased production of material because of the new Canadian customer shipment trial.

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.

	September 30, 2007	December 31, 2006
Working capital (deficiency)	(112,981)	(380,585)
Deficit	13,948,958	13,555,807

As at September 30, 2007 the Company held \$183,667 in cash assets and had a net loss for the nine month period of \$319,475. Additional factors causing the large loss for the period are the stock compensation expense and warrant fair value expenses of \$173,080.

Net cash used for investing activities for the period ended September 30, 2007 was \$26,700 compared to net cash used by investing activities of \$5,000 during the period ended September 30, 2006.

Financing activities provided cash of \$220,000 during the period ended September 30, 2007 compared to \$33,939 for the period ended September 30, 2006.

Summary of Quarterly Results

	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Q4</u>
	<u>30-Sep</u>	<u>30-Jun</u>	<u>31-Mar</u>	<u>31-Dec</u>	<u>30-Sep</u>	<u>30-Jun</u>	<u>31-Mar</u>	<u>31-Dec</u>
	<u>2007</u>	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>
Revenues	\$916,302	\$345,168	\$561,252	\$612,346	\$605,658	\$658,396	\$425,276	\$632,659
Net gain (loss)	\$73,676	(\$329,230)	(\$11,390)	(\$177,281)	(\$106,822)	(\$63,568)	(\$134,263)	(\$21,891)
Loss per share	\$0.00	(\$0.01)	\$0.00	(\$0.01)	\$0.00	\$0.00	\$0.00	(\$0.01)

Capital Resources

The Company has sufficient funds to meet its operational expenses for 2007 and cover anticipated administrative expenses throughout the year. It will continue to focus on the chalky geyselite production at its PEM100 Quarry site in Port Hardy and lowering administrative and production expenses.

Related Party Transactions

The Company paid or accrued management fees of \$6,500 (September 30, 2006 - \$3,000) to officers of the Company. The Company accrued geological fees of \$26,700 (September 30, 2006 - \$6,659) to the Company's President that were included in Apple Bay exploration costs. Royalties totaling \$10,866 (September 30, 2006 - \$12,593) and \$10,998 (September 30, 2006 - \$4,219) of general expenses, were paid or accrued 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.

Share Data

4. As at September 30, 2007

- a) Authorized share capital: 100,000,000 common shares without par value;
- b) Shares issued and outstanding: 30,730,744 common shares; Share capital: \$13,970,738;
- c) 3,876,667 warrants at an average price of \$0.21 per share, and 1,570,522 stock options at an average price of \$0.10 per share.

Subsequent Events

Barge Load #84 was shipped on October 10th, 2007, totaling 11,160.30 tonnes and Barge Load #85 was shipped on November 21, 2007 with the tonnage of 11,973.60.

On November 16th, 2007 a flow through private placement announcement was made for 1,800,000 units at \$0.10 with one non flow through share purchase warrant at a price of \$0.16 for a period of one year.

The Company received permits from the Ministry of Mines and Ministry of Forests to construct a road (the WN820 road) the Apple Bay Quarry. Construction started on November 19, 2007.

Outlook

The Company's continuing focus will be on sustained production of chalky geyserrite at the PEM100 Quarry in Port Hardy. The possible 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.