



December 13, 2011

TSX Symbol: ELT

ELECTRA SIGNS LETTER OF INTENT TO JOINT VENTURE COAL PROPERTY TO MILLENMIN VENTURES

Electra Gold Ltd. (TSX-V:ELT) (The Company) is pleased to announce that it has entered into a non-binding letter of intent dated December 12, 2011 (the "**LOI**") with MillenMin Ventures Inc. (TSX-V: MVM.P) ("**MillenMin** "), whereby MillenMin can earn up to 70% of Electra's 100% owned undivided interest in the Suquash coal property (the "**Project**") situated on Vancouver Island, British Columbia of Canada. The Proposed Transaction is subject to the approval of the TSX Venture Exchange (the "**Exchange**") and will constitute MillenMin's Qualifying Transaction (the "**QT**").

Under the LOI, MillenMin has been granted the exclusive right and option to acquire an undivided 70% interest in the Project by paying \$60,000 to Electra, incurring \$600,000 aggregate exploration expenditures on the Project and issuing 300,000 common shares in the capital of MillenMin (the "**Shares**") to Electra over a period of three years.

Electra is a junior exploration and mining company incorporated in British Columbia listed on the Exchange. The QT will be carried out by parties dealing at arm's length.

MillenMin, in consultation with Electra, will be the operator of the Project and will operate, manage and coordinate the exploration to be conducted on the Project.

Suquash coal property

The Suquash coal property is located on the eastern coast of northern Vancouver Island, between the communities of Port McNeill and Port Hardy. The Project is comprised of three Coal Tenures that cover approximately 1,000 hectares. All of the Coal Tenures are 100% owned by Electra. The Project is easily accessed for exploration purposes, as it lies within an area that is served by an extensive network of well-constructed all-weather logging-roads, all of which connect to and cross the highway.

The Project is situated in Suquash Basin, a Late Cretaceous forearc basin which covered a portion of the Pacific coastal edge of North America. All of the known coal resources lie within the Suquash Formation, which is approximately 330 to 350 metres thick within the Project.

Coal has been worked from locations within and adjacent to the Suquash coal property at various times in the past 160 years. Some artisanal opencast workings were operated along the shoreline.

In 2008, Electra drilled four diamond-drill boreholes totaling over 650 metres. The four boreholes all reached their target coal. Coal of interest for underground mining lies within the Suquash No.2 coal bed near the middle of the Suquash Formation. Within the current outlines of the Suquash coal

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property, the Suquash No.2 coal bed ranges in gross thickness (inclusive of internal rock partings) from 20 centimetres to 2.42 metres. The Suquash No.2 coal bed is estimated to contain 4.82 million tonnes of measured and indicated resources of immediate and future interest for underground mining.

Air-dried calorific values of the float-1.40 clean coal from the Suquash No.2 coal bed are at 6647 to 6922 calories/gram (11,965 to 12,460 BTU/pound). The Suquash No.2 coal is classified as an ASTM coal rank of high volatile B to high-volatile C bituminous and is suitable for thermal-power generation. Further confirmatory and exploratory work, including analytical work, drilling, and underground work, are recommended.

J. T. Shearer, M.Sc., P.Geo, President, is the Qualified Person as defined by NI 43-101 who supervised the preparation of the technical material of this release.

On behalf of the Board of Directors,

J. T. Shearer
President, Director

Forward-Looking Statement

This document may contain or refer to forward-looking information based on current expectations, including, but not limited to timing of mineral resource estimates, future exploration or project development programs and the impact on the Company of these events. Forward-looking information is subject to significant risks and uncertainties, as actual results may differ materially from forecasted results. Forward-looking information is provided as of the date hereof and we assume no responsibility to update or revise them to reflect new events or circumstances. For a detailed list of risks and uncertainties, as it relates to Electra Gold Ltd., please refer to the Company's 2010 Annual Financials filed with SEDAR on April 22, 2011.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents herein.

For further information, please contact Jo Shearer, President at 604-970-6402 or Mark Tommasi at 604-318-1448. For further information, please see website at www.electragoldltd.com

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