ELECTRA GOLD LTD.

MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010

The following discussion and analysis, prepared as of November 29, 2010, should be read together with the interim un-audited financial statements for the three month period ended September 30, 2010 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 31,547.66 tonnes was shipped in three barge loads, (2009 – 32,776 tonnes in three barge loads).

- A demand letter was received from a former contractor of the Company on April 28, 2010 in the amount of $525,913 which the Company is vigorously disputing. The Company is of the opinion that the claim is false and without merit due to a breach of contract and non performance of the contractor. As at November 29, 2010 the Company has filed a countersuit requesting damages.

- As announced on August 11th, 2010 Board of Directors members Peter Arendt and Michael Romanik resigned.

- As announced on September 15, 2010 Electra signed a Joint Venture agreement with Claim Post Resources in Ontario which trades on the TSX Venture Exchange under symbol “CPS”. Details of the agreement can be found on www.sedar.com or in the accompanying financial statements dated September 30, 2010.

Results of Operations

The Company has experienced 29 consecutive quarters of commercial production. The volume of chalky geyserite shipped in the quarter was 31,547.66 (2009 – 32,776) tonnes. Three shipments were made to Ash Grove.

Cost of sales in the quarter were $352,927 (2009 - $685,419) are slightly lower than the comparable period of 2009 due to a decrease in production and sales. Pricing of material was higher on average per tonne due to the unexpected resignation of the drilling & blasting contractor, forcing the Company to hire an interim contractor at higher rates.

Significant Operational Events:

a) On April 14, 2009 the Company issued a news release announcing the renewal of the five year contract with the Company's largest customer. Please refer to www.sedar.com for full details.

b) The Company signed a new contract with D&B Excavating Ltd. for a term of three years to perform the drilling, blasting, etc.

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 geyserite to cement companies. The Company continues to seek capital through various means including the issuance of equity and/or debt.

Liquidity & Solvency (continued)

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, 2010	December 31, 2009
Working capital (deficiency)	(403,109)	(385,278)
Deficit	16,151,620	16,130,758

As at September 30, 2010 the Company held $12,902 (2009 - $58,332) in cash assets and had a net income (loss) for the quarter of $342,747 (2009 – ($66,861)).

Net cash used for investing activities for the quarter ended September 30, 2010 was $(70,812) compared to net cash used by investing activities of $(94,733) during the quarter ended September 30, 2009. The increase is due to the addition of the Race Track Property payment of $80,000.

Financing activities provided cash of $Nil during the quarter ended September 30, 2010 compared to $220,000 for the quarter ended September 30, 2009. The proceeds from share issuances were up during the 2010 year due in comparison to the 2009 year due to the small financing which took place during the first quarter.

Summary of Quarterly Results

	Years Ended December 31							
	2010			2009				2008
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	$ 634,377	$ 134,855	$ 246,195	$ 501,220	$ 727,045	$ 241,931	$ 428,746	$ 348,342
Net Income (Loss)	342,747	(196,083)	(167,524)	(1,302,913)	(66,861)	(224,423)	(48,101)	(188,998)
Basic & Diluted Income (Loss) per share	$ 0.01	$ -	$ -	$ (0.04)	$ -	$ (0.01)	$ -	$ (0.01)

The results above are consistent with the decreased shipments due to the economic slowdown of the US and Canadian cement markets. Despite the addition of Lafarge as a customer in 2009, the tonnage shipped has remained similar to the 2008 year. The fourth quarter of 2009 had a significant loss due to the write down of its mineral properties and equipment amounting to $1,289,154. The first quarter loss in the 2010 year was greater than 2009 due to higher cost of sales in the geyserites production coupled with reduced sales.

Capital Resources

The Company has sufficient funds to meet its operational expenses for 2010 and cover anticipated administrative expenses throughout the year. In light of a recent valuation of the PEM 100 quarry completed in January 2010, the Company decided to write-off the asset in the amount of $1,159,798 due to the negligible value and drain on cash flow. It will continue the chalky geyserite production at its PEM100 Quarry site in Port Hardy with an effort to lower administrative and production expenses until a suitable arrangement can be found for the property. The Company is searching for alternative arrangements for the mineral property to enhance shareholder value and reduce operating expenses.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed as at September 30, 2010.

Related Party Transactions

a) The Company paid or accrued management fees of $Nil (September 30, 2009 - $9,000) to an officer, the Corporate Secretary of the Company, as consulting fees.
b) The Company paid and or accrued geological fees and expenses of $24,375 (September 30, 2009 - $47,600) to a company controlled by the Company's president that were included in exploration costs.
c) Royalties totaling $8,421 (September 30, 2009 - $13,110) were paid or accrued to a company controlled by the President.
d) The Company paid or accrued management consulting fees to a company controlled by a director of $5,000 (September 30, 2009 - $Nil).
e) The Company paid director's fees performed by directors of $2,000 (September 30, 2009 - $2,000).
f) The Company paid management fees of $4,560 (September 30, 2009 - $4,500) to a consultant, the bookkeeper of the Company.
g) The Company paid or accrued consulting fees of $Nil (September 30, 2009 - $13,200) to an officer, the CFO of the Company.

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.

Proposed Transactions

The Company may be required to raise further capital in order to meet all financial obligations for future periods. The Company may raise the required capital through private placement offerings of its securities.

Critical Accounting Estimates

Management regularly assesses the mineral properties for impairment. As at December 31, 2009, an impairment provision of $1,159,798 was entered for the various mineral properties. No further mineral property impairments were assessed as at September 30, 2010.

Financial Instruments

Under Section 3251, *Equity*, Section 3855, *Financial Instruments - Recognition and Measurement* and Sections 3862 & 3863, *Financial Instruments - Disclosure and Presentation,* all financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are measured at fair market value upon inception with the exception of certain related party transactions. Subsequent measurement and recognition of change in the fair value of financial instruments depends on their initial classification. Held-for-trading financial investments are measured at fair value and all gains and losses are included in operations in the period in which they arise. Available-for-sale financial assets are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet or an other than temporary impairment is identified. Loans and receivables, held to maturity investments and other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses upon inception, de-recognition, impairment write-downs and foreign exchange translation adjustments are recognized immediately. Transaction costs related to financial instruments will be expensed in the period incurred.

The Company has designated its cash as held-for-trading, which are measured at fair value. Amounts receivable and reclamation deposits are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities, loans payable, amounts due to related parties, royalties payable and asset retirement obligation are classified as other financial liabilities, which is measured at amortized cost.

Share Data

As at November 29, 2010

Authorized share capital: Unlimited common shares without par value and unlimited number of class A preference shares without par value;

Shares issued and outstanding as at November 29, 2010: common shares 67,438,940; Share capital: $15,834,322;

As at November 29, 2010 the options outstanding are 650,000, with a weighted average price of $0.10 per share. Warrants outstanding are 5,093,500 as at November 26, 2010 with an average exercise price of $0.10.

Subsequent Events

a) On November 18th, 2010 the Company announced the arrangement of a non brokered private placement of up to 6,000,000 units consisting of both non flow through units and flow through units at $0.05 per unit for proceeds of up to $300,000. The terms of the offering are such that each participant will acquire a ¾ amount of flow through and ¼ non flow through units. Each unit will include one share and one two year non flow through common share purchase warrant entitling the purchaser to purchase an additional common share of the Company for $0.10 per share in the first year and $0.12 per share in the second year.

b) On November 10th, 2010 warrants amounting to 1,875,000 exercisable at $0.10 per warrant expired.

Outlook

The Company's continuing focus will be on sustained production of chalky geyserite 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 geyserite 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.

Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders.

The current Board of Directors is comprised of four individuals, one of whom is neither an officer nor employee of the Company and is unrelated and independent from Management. The audit committee is comprised of two directors, of whom both are independent from management and one officer who is not independent.

The audit committee fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited financial statements prior to their submission to the Board of Directors for approval. The audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Controls and Procedures

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings, or other reports files or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

Controls and Procedures (continued)

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

International Financial Reporting Standards

In February 2008, the CICA announced that publicly accountable companies will be required to transition from Canadian GAAP to IFRS for interim and annual financial statements effective for fiscal years beginning on or after January 1, 2011. The Company has commenced a preliminary review of the Canadian equivalents to IFRS and at this stage of the transition does not expect any material changes on the financial statements. The Company has not adopted a conversion plan as at September 30, 2010.

The Company is currently evaluating the future impact of IFRS on its financial statements and will continue to invest in training and additional resources to ensure a timely conversion.

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.