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TSX Symbol: ELT

Electra Acquires Additional Gold Ledge Claims

Electra is pleased to report the acquisition of an additional 14 claims totalling 6,500 hectares along strike of the Gold Ledge Group (see news release Dec. 2 and Dec. 6, 2010). These new claims cover three historic minifile occurrences: Warren-Wolmer, BluePeter and Mystery giving a 16km coverage extent of the Alki Thrust Fault. Each of these occurrences have historic surface trenching and underground workings up to 72m in length and an 8m winze. Arsenopyrite is abundant. Total area now controlled in the Gold Ledge-Iron Range Project by Electra is 16,115.0 ha.

A review of available data shows a large amount of previous work has been completed in the Gold Ledge area. Such major companies as Rio Algom, Abitibi Mining Corp. and Teck conducted detailed geological mapping, rock sampling, geophysical surveys, geochemical surveys and diamond drilling. This voluminous data will form the basis of the proposed work by Electra in 2011.

Essentially, the Alki Thrust Fault is the locus of an intense wide hydrothermal alteration corridor consisting of sericite, chlorite, albite and tourmaline with strong shearing and foliation suggesting that the Alki Thrust is a long lived growth fault. Growth faults were active during the formation of the Purcell Basin and the syngenetic deposition of valuable massive sulphides on the sea floor in the nearby world-class Sullivan Pb/Zn/Ag deposit which was mined for almost 100 years by Teck. Importantly, the Alki Thrust Fault was active after the formation of the extensive quartz-sulphide (pyrite-pyrrhotite) zones as evidenced by widespread brecciation.

The Gold Ledge property is located within the west limb of the Purcell Anticlinorium, a broad, gently north plunging structures with dominantly east verging thrust and fold structures. The Purcell Anticlinorium is cored by the Proterozoic Purcell Supergroup, comprised of a siliciclastic and lesser carbonate sequence at least 12km thick, deposited in an intracratonic rift basin (the Belt-Purcell Basin). The Sullivan Pb/Zn/Ag deposit is located on the east limb of the Purcell Anticlinorium approximately 10km east of the Gold Ledge Property.

The claim area is underlain by the Aldridge Formation, the lowermost division of the Purcell Supergroup. The Aldridge Formation is divisible into a lower, middle and upper unit. The lower Aldridge Formation is comprised of thin bedded, rusty weathering, fine-grained quartzitic wackes, siltstones and some argillites. A grey weathering quartzite marker unit (the "Footwall Quartzite") lies approximately 150 metres below the stratigraphic top of the lower Aldridge. The uppermost part of the lower Aldridge Formation is a package of laminated siltstones and mudstones, known in the camp as the "Sullivan Horizon". The massive sulphide ore body of the Sullivan deposit is hosted in this package immediately below the top of the lower Aldridge. Lithologies that correlate with the Sullivan Horizon have been recognized (in drill core) on the Gold Ledge property.

The lower Aldridge sediments typically grade upward into medium thin bedded grey weathering quartz wackes, quartzitic wackes, wackes and siltstones with local argillite. The first appearance of medium to

thick bedded quartz wacke units marks the contact of the lower Aldridge with the middle Aldridge Formations. The middle Aldridge Formation is rather monotonous in character and about 2,500m to 3,500m thick. Within the middle Aldridge Formation are distinctive laminated siltstone (marker laminate) horizons comprised of alternating thin, light and dark laminae. The patterns of light and dark laminae are distinctive for each siltstone unit. These siltstone units are valuable as stratigraphic markers, and can be correlated over great distances. At the Sullivan Mine area in Kimberley, the various markers occur at known and measured distances above the LMC (Lower Aldridge-Middle Aldridge Contact). The distances can be used throughout the basin to estimate stratigraphic distance above the LMC, once the specific marker has been identified and correlated. Six of these marker horizons have been mapped in detail in close proximity to the Gold Ledge showing, the lowest marker is the Hiawatha Horizon which is 475m above the Sullivan Horizon.

Both the lower and middle Aldridge Formations are intruded by Middle Proterozoic dioritic to gabbroic sills (Moyie intrusions). These sills (and rarely, dykes) can vary from a few to several hundred metres thick, they are syn-depositional, and are inferred to have intruded wet, un lithified sediments. The sills expand the given stratigraphic section, without any loss of sedimentary units due to intrusion, by expelling water from the wet sediments to provide necessary intrusion space.

The lower and middle Aldridge Formations are carried in the hanging wall of the St. Mary Fault, a southeasterly directed thrust fault that may be related to major basement structures. The Hall Lake Fault, another major thrust structure, lies to the northwest. Between the St. Mary and Hall Lake faults, the Aldridge strata is characterized by open north trending folds.

The age of this faulting varies, but at least some are considered to be syn-depositional, basing bounding growth faults that formed the boundary of smaller (second and third order graben basins) within the Belt-Purcell basin, and thus localised mineralization at Sullivan.

The Gold Ledge Property is underlain by Purcell Supergroup metasediments of the lower and middle Aldridge Formations. The Aldridge Formation sediments dip gently to moderately and mainly westward within a series of fault bounded blocks. North and northeast trending open folds occur locally. The lower Aldridge is restricted to the east side of the property. The middle Aldridge outcrop elsewhere. Several Moyie sills intrude the Aldridge Formation. From within the middle Aldridge Formation, a total of twenty laminate markers were identified by previous workers throughout the entire property.

Previous workers also mapped fragmental bodies in the footwall of the Alki Fault, (at Hiawatha time) in middle Aldridge Formation, as well as at the west side of the headwaters of Matthew Creek. The Sullivan Deposit is underlain by fragmental bodies and may signify conduits for hydrothermal fluids.

The Alki Fault lies in Murphy Pass, trending northwest to cross the headwaters of Pyramid Creek. It continues southeast along the east side of Mt. Murphy, and into Alki Creek. The Alki Fault has been mapped as a thrust fault, and the offset of stratigraphic marker laminates within the middle Aldridge Formation suggest a net displacement of 300m. The Alki Fault dips steeply at the surface (60°-80°). Where exposed, the fault is marked by a relatively wide zone of alteration (sericite, chlorite, albite), shearing and strong foliation and quartz veining. Gabbro bodies are associated with the fault zone and may have arched up along the zone. Folded strata occur in the hanging wall and footwall. Quartz sulphide veins occur in a linear zone that may be a splay fault in the footwall of the Alki Fault.

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In Summary, structural, mineralization and alteration relationships indicate that the property has potential for both Iron-oxide-Cu-Au (IOCG) type Cu-Au-U-REE deposits as well as Sullivan types (SEDEX) sedimentary-exhalative silver-lead-zinc deposits.

Electra Gold Ltd is a Canadian mineral exploration and production company with a portfolio of diverse exploration projects consisting of gold prospects and major industrial mineral production since 2003, located in British Columbia and the Race Track Gold Project in Timmins, Ontario.

Electra is in the process of updating its website (www.electragoldltd.com) which will be ready for launch on Wednesday, January 19, 2011. A series of maps are in preparation to illustrate the features discussed in this news release.

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

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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 2009 Annual Financials filed with SEDAR on May 11, 2010.

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

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