



October 14, 2011

**TSX Symbol: ELT**

**GOLD LEDGE PROJECT – Significant Gold/Silver/Lead/Zinc Results Within a Series of Structurally Controlled, Poly-metallic/ Quartz-bearing Mineralized Systems Gold up to 3.913 g/tonne Au**

Electra Gold Ltd. (TSX-V:ELT) (The Company) is pleased to report significant gold/silver/lead/zinc values from its initial field program on its 100% owned Gold Ledge Project (refer to August 2, 2011 News Release).

The Gold Ledge Project is an aggressive gold exploration located in the historical highly endowed mineral region of the Belt Purcell Basin, Purcell Mountains, south-eastern British Columbia. The Company is pleased to announce that its' Phase I exploration project has rediscovered several significant gold mineral showings and workings consisting of trenches, pits and short adits and has defined an important mineral-bearing major fault system.

The Gold Ledge claim group, which covers the project site, consists of 16 contiguous mineral claims encompassing 7,503.50 hectares. The lower and southern portion of the claim group is easily accessible from the town of Cranbrook, some half-hour drive along the St. Mary Lake Forest Service Road. Two of the old gold workings, the Mystery and Blue Peter, can be accessed by an old horse pack trail leading from the Alkai Creek logging roads. Some of the mineral prospects such as the Gold Ledge and Warren workings are located at higher elevations and are presently best accessible by helicopter, a 15 minute ferry time from Cranbrook. A nearby old logging road up the west branch of Matthew Creek comes within 3km of the Gold Ledge Zone.

Phase I exploration consisted of reconnaissance sampling of the old workings and preliminary geological and structural mapping. The workings and associated mineralization are spatially related to a major north-northwest trending, second order thrust fault and lower order cross-cutting (East-West), offset faults. The offset faults have developed drag folds along the thrust structure producing brittle deformation with mineralized quartz structures hosted in the Lower Aldridge fine grain quartzite and siltstone. Drag folds may be important in hosting some of the mineralization as in the case of the Warren workings where a 16 meter wide, highly mineralized quartz structure was mapped and sampled occurring proximal to a drag fold. Here the sulphide assemblage consists, in order of abundance: arsenopyrite, galena, sphalerite and pyrite. The quartz structure is traceable for at least 150 meters before it is covered by talus material. At a lower elevation some 300 meters southwest of Warren workings, several old trenches were located cutting a shallow dipping, massive quartz structure hosting chalcopyrite, pyrite and arsenopyrite with some very fine bladed tourmaline crystals. This structure is hosted in a gabbroic sill (Moyie Intrusion) and distal to the thrust fault. Grab Samples assayed 6.00% Pb, 1.61% Zn and 37.2 g/tonne Ag.

The Gold Ledge workings are also structurally controlled and believed to be in a similar structural setting as the Warren workings and suggest drag folding. However, here, there is more evidence of brittle deformation and the quartz veins not as massive as the Warren instead display numerous sub-parallel narrow (1 to 0.5 meters) veins across several meters with associated anastomosing quartz veinlets. The brecciated host rock composed of quartzite and siltstone is partly replaced by sulphide mineralization adjacent to the quartz veins. The sulphide assemblage is similar to Warren mineralization.

Underground workings at the Gold Ledge consist of a 41m drift with a 14m wide crosscut. The crosscut exposes 2.4m of quartz filled breccia and 7.6m of fractured quartz. Gold values up to 34g/tonne are reported at the main Gold Ledge workings by previous selected sampling. Grab Samples from talus returned 4.97% Pb and 52.8 g/tonne silver.

Approximately 1.5km southwest of the Gold Ledge Workings is a series of short underground adits and shafts, which we refer to as the Lake Zone. Several character grab samples from the dump assayed 99.5g/tonne silver with 3.61 to 5.42% Pb and 6.56 to 9.61% Zinc. One sample ran 1.18% Copper.

The previously known underground workings known as the Blue Peter and Mystery returned grab samples assaying over 1% (up to 2.48% Cu) Copper with variable gold (from trace to 1.423 g/tonne) and silver values. However a previously undocumented relatively wide east-west trending pyritic zone (now called St. Mary Zone) was noted as being investigated in the old days by 3 adits up along the mountain side. Samples of fine muck from the upper adit assayed 3.913 g/tonne gold with 8.3 g/tonne Ag, 0.05% Cu with very low Arsenopyrite (49ppm). A grab sample from the lowest adit on the St. Mary Zone assayed 1.470 g/tonne gold.

Based on the preliminary surveys, the main thrust fault and subsidiary East-West zones important mineral-bearing structures as indicated by old workings that are found along 8 kilometer strike length. As well, some limited reconnaissance prospecting to the north along strike of the structure has found additional sulphide mineralization to suggest possible extension of quartz-mineral-bearing structures to the north.

A large barge of the Company's chalky geyselite was shipped to Seattle on September 26, 2011 and the load to Lafarge in Richmond was shipped on September 7, 2011.

Electra Gold Ltd. also announces approval by the TSX-V of a share for debt arrangement of 3,834,640 shares at a price of \$0.05 per share. Insider participants include Homegold Resources Ltd. 1,690,240 shares and Mark Tommasi 250,000 shares. All of these shares will be subject to a four month hold period (refer to the initial News Release of May 15, 2011).

Electra is very appreciative that the highly skilled geological work done by the President whose industry standard compensation is able to be paid by shares. Likewise, the extensive corporate experience brought to bear on the company's affairs by Director Mark Tommasi.

The Company continues to engage in discussions possibility of producing high-purity metallurgical grade alumina from its Lang Bay and Harvey Cove Kaolinite Properties. The results of samples previously sent to Quebec are expected shortly and discussions are ongoing.

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

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.

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On behalf of the Board of Directors,  
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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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