

Electra Enters Joint Venture Agreement on Longworth Silica Property

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VANCOUVER, Dec. 1, 2014 /CNW/ - [Electra Gold Ltd.](#) ("Electra" or the "Company") (TSX.V: ELT) and its principle shareholder Zimtu Capital Corp. ("Zimtu") (TSX.V: ZC) are pleased to announce that they have formed a Strategic Alliance (the "Alliance") with MGX Minerals Inc. ("MGX") (CSE: XMG) for the purposes of jointly developing industrial mineral properties, as follows:

1. MGX acquires 2,000,000 million shares of Electra
2. Electra acquires 666,667 shares of MGX
3. Zimtu acquires 333,333 shares of MGX at a price of \$0.25 for gross proceeds of \$83,333 as part of the Company's non-brokered private placement (see press release dated October 30, 2014)
4. MGX engages Zimtu for capital market consulting services
5. MGX will provide technical services to Electra
6. Electra will provide industrial mineral sales and marketing services to MGX

"This Alliance creates a number of specific opportunities for growth and development within the industrial minerals sector in the Province of British Columbia. We look to expand and continue our model of acquiring and developing assets that are anticipated to be in production within a relatively short timeframe such as the Longworth Silica Property. We look forward to advancing this project and other low impact, low capex projects together with MGX," stated Electra President John Costigan.

Longworth Silica Property

As part of the formation of the Alliance, Electra has entered into a Joint-Venture Agreement (the "Joint-Venture") under which MGX will earn 50% undivided interest in Electra's wholly owned Longworth Silica Property ("Longworth" or the "Property"), by meeting the following work commitments:

1. Incurring \$100,000 in exploration expenditures on the Property within twelve (12) months- including eight (8) diamond drill holes; and
2. Completion of a National Instrument (N.I.) 43-101 compliant mineral resource estimate within eighteen (18) months.

The Property is located approximately 85 kilometers east of Prince George in east-central British Columbia and is accessible by logging roads. The land package covers 1,084 contiguous hectares situated four kilometers from the Canadian National railroad mainline and power grid. The Property is listed as one of the top silica occurrences in the Province of British Columbia by the BCGS (Simandl, 2014).

The Longworth claims were formerly held by Silver Standard Resources Inc. ("Silver Standard"), who completed detailed metallurgical work on the contained silica mineralization. Internal reports suggested positive results as a potential feed source for silicon metal smelting (Quartermain 1986).

According to B.C. Ministry of Energy and Mines Open File 1987-15, in reference to the Longworth Property: "At least four northwest trending bands of quartzite have been mapped along the western flank of a ridge. Thicknesses reach up to about 400 metres over a discontinuous strike length of 10km. The main quartzite band outlines a synformal structure open to the northwest. Rare bedding observed in outcrop dips 70 to 80 degrees east. The quartzite is very pure, massive and homogeneous. It is composed of extremely well-rounded and well-sorted quartz grains, averaging 0.5 millimeter in diameter, which are cemented by silica. The quartzite is pinkish white to buff on fresh surfaces and weathers grey to white. Impurities include muscovite in cavities, limonite on microfractures, minor calcite and possible hydrocarbons. Eight chip samples collected in 1982 by the Geological Survey Branch averaged 99.5 per cent silica".

Of the 42 samples collected and analyzed by Silver Standard, 28 met the required chemical specifications

with silica dioxide (SiO₂) levels ranging between 98.84 and 99.80 percent. Twelve of the 16 samples also boasted acceptable thermal shock results.

Longworth Property Development Plans

MGX has begun technical evaluation of the property and, as necessary, will complete a N.I. 43-101 compliant technical report, prepare an exploration and preliminary development plan and file a Notice of Work with the B.C. Ministry of Energy and Mines to complete diamond core drilling.

Initial exploration will focus on the Snow Claim, where sampling of outcrop has shown consistent high grade (~99%) SiO₂ over an area spanning approximately 400 meters in length and width. (Assessment Report 14815).

Development plans will be designed by the MGX's Qualified Person and Vice President of Exploration Andris Kikauka (P. Geo). Specific items in the technical evaluation now underway by MGX include access trail, drill hole location and topographical analyses for haulage road and quarry design.

High Purity Silica

The global silica market is projected to be 280 million tonnes annually, valued at \$9.2 billion, by 2016 (Freedonia Group 2014). The market can be divided into low and high purity markets. There are a limited number of high purity silica operations in western North America and limited sources globally.

High purity silica is prized by the silicon industry that uses it in the production of silicon metal. Silicon-based materials, including silicones, can be formulated to deliver a wide range of products from more durable construction materials; faster, smarter electronic devices; to more efficient solar panels and wind turbines. They are also used in healthcare and cosmetic products.

High purity silica can also be used to make ferrosilicon a valuable industrial mineral. MGX, operator of the Driftwood Magnesite property, has indicated to Electra that it has a specific interest in the production of ferrosilicon as it, along with magnesium oxide, may be used as primary inputs in the production of magnesium metal, a long term goal of MGX.

Frac Sand Market

The Company also has immediate plans to investigate the potential to provide high-grade silica to the oil and natural gas proppant markets, which represents one of the largest and fastest growing industrial mineral markets in Canada and the United States. Domestic annual consumption in the United States was estimated at 48 million tonnes in 2013 (USGS, 2014), of which more than two-thirds was used for hydraulic fracturing.

The Company will determine whether the silica mineralization at Longworth meets the rigorous specifications to supply the frac sand market. According to B.C. MINFILE 093H 083: "The quartzite is very pure, massive and homogeneous. It is composed of extremely well-rounded and well- sorted quartz grains." The Company plans to submit samples taken by Electra during their summer 2014 exploration program for initial analyses.

About Electra Gold

[Electra Gold Ltd.](#) (TSX-V:ELT) operates the Apple Bay geyserite quarry near Port Hardy, BC. The quarry has operated continuously since 2003. Electra ships by barge from its quarry on North Vancouver Island to the Ashcroft Cement Plant in Seattle, WA. Electra holds a portfolio of industrial and precious metals properties. For more information please visit Electra's website at www.electragoldltd.com.

About MGX Minerals

MGX Minerals (CSE: XMG) is a diversified Canadian mining company engaged in the acquisition and development of industrial mineral deposits in western Canada that offer near-term production potential, minimal barriers to entry and low initial capital expenditures. For more information please visit the Company's website at www.mgxminerals.com.

About Zimtu Capital

Zimtu Capital Corp. (TSX-V: ZC) is a public investment issuer that invests in, creates and grows natural resource companies thereby providing a way for shareholders to indirectly participate and profit in the public company building process. The Company also provides mineral property project generation and advisory services helping to connect companies to properties of interest. For more information please visit Zimtu's website at www.zimtu.com.

On behalf of the Board of Directors

"John Costigan"
President and Director

Forward-Looking Statements

This press release contains forward-looking information or forward-looking statements (collectively "forward-looking information") within the meaning of applicable securities laws. Forward-looking information is typically identified by words such as: "believe", "expect", "anticipate", "intend", "estimate", "postulate" and similar expressions, or are those, which, by their nature, refer to future events. The Company cautions investors that any forward-looking information provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in forward-looking information as a result of various factors. The reader is referred to the Company's public filings for a more complete discussion of such risk factors and their potential effects which may be accessed through the Company's profile on SEDAR at www.sedar.com.

For further information on Electra Gold Ltd. Please contact Tyler Lowes at 604-681-1568 Copyright CNW Group 2014

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