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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 20-F**

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report \_\_\_\_\_

Commission file number: 333-183376



**Xtra-Gold Resources Corp.**  
(Exact name of Registrant as specified in its charter)

**not applicable**  
(Translation of Registrant's name into English)

**British Virgin Islands**  
(Jurisdiction of incorporation or organization)

**357 Bay Street, Suite 902, Toronto, Ontario Canada, M5H 2T7**  
(Address of principal executive offices)

**Paul Zyla, 416-366-4227 (telephone), 416-981-3055 (facsimile), 357 Bay Street, Suite 902, Toronto, Ontario Canada, M5H 2T7**  
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class <b>None</b>	Name of each exchange on which registered <b>Not applicable</b>
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Securities registered or to be registered pursuant to Section 12(g) of the Act.

**None**  
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

**Common shares**  
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Title of each class	Outstanding at December 31, 2014
<b>Common shares</b>	<b>45,811,417</b>

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer: See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting as issued by the   
International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

## TABLE OF CONTENTS

### PART I

	Page
<u>General Matters</u>	<u>5</u>
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	<u>5</u>
<u>ITEM 1</u>	<u>7</u>
<u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS</u>	<u>7</u>
<u>ITEM 2</u>	<u>7</u>
<u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	<u>7</u>
<u>ITEM 3</u>	<u>7</u>
<u>KEY INFORMATION</u>	<u>7</u>
<u>A.</u>	<u>7</u>
<u>Selected Financial Data</u>	<u>7</u>
<u>B.</u>	<u>7</u>
<u>Capitalization and Indebtedness</u>	<u>7</u>
<u>C.</u>	<u>7</u>
<u>Reasons for the Offer and Use of Proceeds</u>	<u>7</u>
<u>D.</u>	<u>8</u>
<u>Risk Factors</u>	<u>8</u>
<u>ITEM 4</u>	<u>17</u>
<u>INFORMATION ON XTRA-GOLD</u>	<u>17</u>
<u>A.</u>	<u>17</u>
<u>History and Development of Xtra-Gold</u>	<u>17</u>
<u>B.</u>	<u>18</u>
<u>Business Overview</u>	<u>18</u>
<u>C.</u>	<u>19</u>
<u>Organizational Structure</u>	<u>19</u>
<u>D.</u>	<u>19</u>
<u>Property, Plants and Equipment</u>	<u>19</u>
<u>ITEM 4A</u>	<u>82</u>
<u>UNRESOLVED STAFF COMMENTS</u>	<u>82</u>
<u>ITEM 5</u>	<u>82</u>
<u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	<u>82</u>
<u>A.</u>	<u>82</u>
<u>Operating Results</u>	<u>82</u>
<u>B.</u>	<u>83</u>
<u>Liquidity and Capital Resources</u>	<u>83</u>
<u>C.</u>	<u>84</u>
<u>Research and Development, Patents and Licenses</u>	<u>84</u>
<u>D.</u>	<u>84</u>
<u>Trend Information</u>	<u>84</u>
<u>E.</u>	<u>85</u>
<u>Off-Balance Sheet Arrangements</u>	<u>85</u>
<u>F.</u>	<u>85</u>
<u>Tabular Disclosure of Contractual Obligations</u>	<u>85</u>
<u>G.</u>	<u>85</u>
<u>Safe Harbor</u>	<u>85</u>
<u>ITEM 6</u>	<u>86</u>
<u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	<u>86</u>
<u>A.</u>	<u>86</u>
<u>Directors and Senior Management</u>	<u>86</u>
<u>B.</u>	<u>92</u>
<u>Compensation</u>	<u>92</u>
<u>C.</u>	<u>94</u>
<u>Board Practices</u>	<u>94</u>
<u>D.</u>	<u>96</u>
<u>Employees</u>	<u>96</u>
<u>E.</u>	<u>97</u>
<u>Share Ownership</u>	<u>97</u>
<u>ITEM 7</u>	<u>99</u>
<u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	<u>99</u>
<u>A.</u>	<u>99</u>
<u>Major Shareholders</u>	<u>99</u>
<u>B.</u>	<u>100</u>
<u>Related Party Transactions</u>	<u>100</u>
<u>C.</u>	<u>100</u>
<u>Interests of Experts and Counsel</u>	<u>100</u>
<u>ITEM 8</u>	<u>100</u>
<u>FINANCIAL INFORMATION</u>	<u>100</u>
<u>A.</u>	<u>100</u>
<u>Consolidated Statements and Other Financial Information</u>	<u>100</u>
<u>B.</u>	<u>101</u>
<u>Significant Changes</u>	<u>101</u>
<u>ITEM 9</u>	<u>101</u>
<u>THE OFFER AND LISTING</u>	<u>101</u>
<u>A.</u>	<u>101</u>
<u>Offer and Listing Details</u>	<u>101</u>
<u>B.</u>	<u>102</u>
<u>Plan of Distribution</u>	<u>102</u>
<u>C.</u>	<u>102</u>
<u>Markets</u>	<u>102</u>
<u>D.</u>	<u>102</u>
<u>Dilution</u>	<u>102</u>
<u>E.</u>	<u>102</u>
<u>Expenses of the Issue</u>	<u>102</u>
<u>ITEM 10</u>	<u>102</u>
<u>ADDITIONAL INFORMATION</u>	<u>102</u>
<u>A.</u>	<u>102</u>
<u>Share Capital</u>	<u>102</u>
<u>B.</u>	<u>102</u>
<u>Memorandum and Articles of Association</u>	<u>102</u>
<u>C.</u>	<u>102</u>
<u>Material Contracts</u>	<u>102</u>
<u>D.</u>	<u>103</u>
<u>Exchange Controls</u>	<u>103</u>
<u>E.</u>	<u>103</u>
<u>Taxation</u>	<u>103</u>
<u>F.</u>	<u>109</u>
<u>Dividends and Paying Agents</u>	<u>109</u>
<u>G.</u>	<u>109</u>
<u>Statement by Experts</u>	<u>109</u>
<u>H.</u>	<u>109</u>
<u>Documents on Display</u>	<u>109</u>
<u>I.</u>	<u>109</u>
<u>Subsidiary Information</u>	<u>109</u>

<u>ITEM 11</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	109
<u>ITEM 12</u>	<u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	109
<b>PART II</b>		
<u>ITEM 13</u>	<u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	109
<u>ITEM 14</u>	<u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	109
<u>ITEM 15</u>	<u>CONTROLS AND PROCEDURES</u>	109
<u>A.</u>	<u>Disclosure Controls and Procedures</u>	109
<u>B.</u>	<u>Management's Annual Report on Internal Control over Financial Reporting</u>	110
<u>C.</u>	<u>Attestation Report on of the Registered Public Accounting Firm</u>	110
<u>D.</u>	<u>Changes in Internal Control over Financial Reporting</u>	110
<u>ITEM 16</u>	<u>[RESERVED]</u>	110
<u>A.</u>	<u>Audit Committee Financial Expert</u>	110
<u>B.</u>	<u>Code of Ethics</u>	111
<u>C.</u>	<u>Principal Accountant Fees and Services</u>	111
<u>D.</u>	<u>Exemptions from the Listing Standards for Audit Committees</u>	112
<u>E.</u>	<u>Purchase of Equity Securities by the Issuer and Affiliated Purchasers</u>	112
<u>F.</u>	<u>Change in Registrant's Certifying Accountant</u>	113
<u>G.</u>	<u>Corporate Governance</u>	113
<u>H.</u>	<u>Mine Safety Disclosure</u>	113
<b>PART III</b>		
<u>ITEM 17</u>	<u>FINANCIAL STATEMENTS</u>	115
<u>ITEM 18</u>	<u>FINANCIAL STATEMENTS</u>	115
<u>ITEM 19</u>	<u>EXHIBITS</u>	116
<u>SIGNATURES</u>		117

## GENERAL MATTERS

### Use of Names

In this annual report filed on Form 20-F, the terms “Xtra-Gold”, “company”, “we”, and “our” refers to Xtra-Gold Resources Corp., a British Virgin Islands company, and our wholly-owned subsidiaries, Xtra-Gold Exploration Limited and Xtra Oil & Gas (Ghana) Limited and our 90% owned subsidiary, Xtra-Gold Mining Limited.

### Currency

Unless otherwise specified, all dollar amounts in this annual report are expressed in United States dollars.

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report, including all exhibits hereto, contains forward-looking statements and forward-looking information. Forward-looking statements are with reference to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as “anticipates”, “expects”, “intends”, “plans”, “forecasts”, “projects”, “budgets”, “believes”, “seeks”, “estimates”, “could”, “might”, “should”, and similar expressions identify forward-looking statements. Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements. These statements include comments regarding the establishment and estimates of mineral reserves and mineral resources, production, production commencement dates, production costs, cash operating costs per ounce, total cash costs per ounce, grade, processing capacity, potential mine life, feasibility studies, development costs, capital and operating expenditures, exploration, the closing of certain transactions including acquisitions and offerings. All statements, other than statements of historical facts, included in this annual report, our other filings with the SEC and Canadian securities commissions and in news releases and public statements made by our officers, directors or representatives of our company, that address activities, events or developments that we expect or anticipate will or may occur in the future are forward-looking statements and forward-looking information.

The following, in addition to the factors described elsewhere in this annual report under “Risk Factors”, are among the factors that could cause actual results to differ materially from the forward-looking statements:

- our ability to continue as a going concern
- unexpected changes in business and economic conditions;
- significant increases or decreases in gold prices;
- changes in interest rates and currency exchange rates;
- unanticipated grade changes;
- changes in metallurgy;
- access and availability of materials, equipment, supplies, labor and supervision, power and water;
- determination of mineral resources and mineral reserves;
- availability of drill rigs; changes in project parameters;
- costs and timing of development of new mineral reserves; results of current and future exploration activities;
- results of pending and future feasibility studies; joint venture relationships;
- political or economic instability, either globally or in the countries in which we operate;
- local and community impacts and issues;
- timing of receipt of government approvals; accidents and labor disputes; environmental costs and risks; and
- competitive factors, including competition for property acquisitions; and availability of capital at reasonable rates or at all.

With respect to any forward-looking statement that includes a statement of its underlying assumptions or bases, we believe such assumptions or bases to be reasonable and have formed them in good faith, assumed facts or bases almost always vary from actual results, and the differences between assumed facts or bases and actual results can be material depending on the circumstances. When, in any forward-looking statement, we express an expectation or belief as to future results, that expectation or belief is expressed in good faith and is believed to have a reasonable basis, but there can be no assurance that the stated expectation or belief will result or be achieved or accomplished.

All subsequent written and oral forward-looking statements attributable to us, or anyone acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except for our ongoing obligations to disclose material information under the Federal securities laws, we do not undertake any obligations to publicly release any revisions to any forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect unanticipated events that may occur. These forward-looking statements speak only as of the date of this annual report and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

**PART I**

**Item 1 Identity of Directors, Senior Management and Advisors**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**Item 2 Offer Statistics and Expected Timetable**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**Item 3 Key Information**

**A. Selected Financial Data**

The following financial information has been extracted from our consolidated financial statements for the years indicated and is expressed in United States dollars. Our consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The historical data included below and elsewhere in this annual report is not necessarily indicative of our future performance. The financial information should be read in conjunction with our consolidated financial statements and related notes included in this annual report and “Item 5. Operating and Financial Review and Prospects – A. Operating Results” and “B. Liquidity and Capital Resources” of this annual report.

In this annual report, all currency refers to United States Dollars (US\$) unless indicated otherwise.

The following table summarizes information relating to the operations of Xtra-Gold for the last five fiscal years ended December 31.

**For the Year Ended December 31**

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operating revenues	Nil	Nil	Nil	Nil	Nil
Consolidated loss and comprehensive loss for the year	(687,057)	(750,942)	(7,631,636)	(5,794,927)	(2,976,645)
Net loss and comprehensive loss attributable to non-controlling interest	6,842	8,849	466,378	470,170	(40,268)
Net loss and comprehensive loss attributable to Xtra-Gold Resources Corp.	(693,899)	(742,093)	(7,165,258)	(5,324,757)	(3,016,913)
Basic and diluted loss attributable to common shareholders per common share	(0.02)	(0.02)	(0.16)	(0.12))	(0.09)
Total current assets	1,124,733	1,717,195	2,692,522	7,374,906	10,350,617
Total assets	2,713,212	3,616,752	4,836,377	9,823,316	13,019,905
Total current liabilities	327,193	311,904	404,507	745,860	517,236
Total liabilities	327,193	515,299	931,491	917,255	672,631
Working capital	797,540	1,405,291	1,948,426	6,629,046	9,833,381
Capital stock	45,811	46,264	46,540	44,569	42,961
Total shareholders' equity	2,386,019	3,101,453	3,904,866	8,906,061	12,347,274
Total Xtra-Gold Resources Corp. shareholders' equity	3,360,935	4,083,211	4,877,795	9,412,592	12,383,635
Dividends declared per share	Nil	Nil	Nil	Nil	Nil
Basic and diluted weighted average number of common shares outstanding	45,996,481	46,481,748	44,698,113	43,815,678	35,160,827

**B. Capitalization and Indebtedness**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**C. Reasons for the Offer and Use of Proceeds**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**D. Risk Factors**

The securities of our company are considered speculative due to the nature of our business and the present stage of our development. Only those persons who can bear the risk of the entire loss of their investment should participate. An investor should carefully consider the risks described below and the other information that we file with the Securities and Exchange Commission and with Canadian securities regulators before investing in our common shares. The risks described below are not the only ones faced. Additional risks that we are either unaware of, or we are aware of but we currently believe are immaterial, may become important factors that affect our business. If any of the following risks occur, or if others occur, our business, operating results and financial condition could be seriously harmed and the investor may lose all of their investment.

**Risks Associated with our Company and our Operations**

*Our company is currently in the exploration stage with respect to all our projects. The chance of ever reaching the production stage at our projects is uncertain. Our company cannot predict whether we will successfully effectuate our company's current business plan.*

*If our company does not obtain new financings, commencing from 2015, the amount of funds available to our company to pursue any further exploration activities at our projects will be reduced and our company's plan of operations may be adversely affected.*

Our company has relied on private placement financings and an initial public offering completed in Canada in November 2010 to fund our exploration programs, including our drilling programs at our Kibi project. Commencing from 2015, our company will continue to require additional financing to complete our plan of operations to carry out any further exploration activities on our projects. Any impairment in our company's ability to raise additional funds through financings would reduce the available funds for such exploration activities, with the result that our company's plan of operations may be adversely affected.

*Substantial additional capital may be required commencing from 2015 to continue exploration activities at all of our projects. If our company cannot raise additional capital as needed, our ability to execute our business plan and fund our ongoing operations will be in jeopardy.*

Commencing from 2015, our company may need to explore various financing alternatives to meet our projected costs and expenses. Our company cannot assure our shareholders that we will be able to obtain the necessary financing for our projects on favorable terms or at all. Additionally, if the actual costs to execute our company's business plan are significantly higher than expected, our company may not have sufficient funds to cover these costs and we may not be able to obtain other sources of financing. The failure to obtain all necessary financing would prevent our company from executing our business plan and would impede our company's ability to sustain operations or become profitable, and our company could be forced to cease our operations.

*To date, we have not generated revenues from operations and our company will continue to incur operating losses and there is no guarantee that we will achieve operating profits.*

Our company has incurred operating losses on an annual basis for a number of years, primarily arising out of the costs related to continued exploration and development of mineral resource properties, including costs written off on properties no longer being pursued by our company. As of December 31, 2014, our company had an accumulated deficit during the exploration stage of \$26,247,372. It is anticipated that our company will continue to experience operating losses for fiscal 2015 and until our company discovers economically mineable mineralized material and successfully develops a mine. There can be no assurance that our company will ever achieve significant revenues or profitable operations.

*Our auditors have raised substantial doubts as to our ability to continue as a going concern.*

Our financial statements have been prepared assuming we will continue as a going concern. Since inception we have experienced recurring losses from operations, which losses have caused an accumulated deficit of approximately \$26,247,372 as of December 31, 2014. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. We anticipate that we may continue to incur losses in future periods until we are successful in generating revenues which are significant enough to pay our expenses and fund our exploration efforts. There are no assurances that we will be able to raise our revenues to a level which supports profitable operations and provides sufficient funds to pay our obligations as they are incurred. If we are unable to meet those obligations, we could be forced to substantially curtail our operations and planned exploration efforts, which would have a material adverse effect on our business and operations in future periods.

***Our company's projects are in the exploration stage and may not result in the discovery of commercial bodies of mineralization which would result in our company discontinuing that project. Substantial expenditures are required to determine if a project has economically mineable mineralized material.***

Our company's projects are all in the exploration stage. Mineral exploration involves a high degree of risk and few properties which are explored are developed into producing mines. The exploration efforts of our company on our projects may not result in the discovery of commercial bodies of mineralization which would require our company to discontinue that project. Substantial expenditures are required to determine if a project has economically mineable mineralized material. It could take several years to establish proven and probable mineral reserves. Due to these uncertainties, there can be no assurance that current and future exploration programs will result in the discovery of mineral reserves.

***Our company currently depends significantly on a limited number of projects.***

Our company's activities are currently focused on our Kibi project. Our company will as a consequence be exposed to some heightened degree of risk due to the lack of property diversification. Adverse changes or developments affecting our Kibi project would have a material and adverse effect on our company's business, financial condition, results of operations and prospects.

***Our company is subject to factors beyond our control which may impact our company's title in our projects.***

Although our company has obtained title opinions with respect to all of our projects and has taken other reasonable measures to ensure proper title to these projects, there is no guarantee that title to any of our projects will not be challenged or impugned. Third parties may have valid claims underlying portions of our company's interests. Our projects may be subject to prior unregistered liens, agreements, transfers or claims and title may be affected by, among other things, undetected defects. In addition, our company may be unable to operate our projects as permitted or to enforce its rights with respect to our projects.

***Our company's activities are and will be subject to complex laws, significant government regulations and accounting standards that may delay or prevent operations at our projects and can adversely affect our company's operating costs, the timing of the our company's operations, ability to operate and financial results.***

Business, exploration activities and any future development activities and mining operations are and will be subject to extensive Ghanaian, United States, Canadian, British Virgin Islands and other foreign, federal, state, territorial and local laws and regulations and also exploration, development, production, exports, taxes, labor standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, reporting and other matters, as well as accounting standards. Compliance with these laws, regulations and standards or the imposition of new such requirements could adversely affect our company's operating and future development costs, the timing of our company's operations, ability to operate and financial results. These laws and regulations governing various matters include:

- environmental protection;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- export and import controls and restrictions;
- price controls;
- taxation;
- labor standards and occupational health and safety, including mine safety;
- historic and cultural preservation; and
- generally accepted accounting principles.

The costs associated with compliance with these laws and regulations may be substantial and possible future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of our company's operations and delays in the development of our projects. These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety impacts of our company's past and current operations, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. In addition, our company's failure to comply strictly with applicable laws, regulations and local practices relating to permitting applications or reporting requirements could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners. Any such loss, reduction, expropriation or imposition of partners could have a materially adverse effect on our company's operations or business.

***Our company may not be able to obtain, renew or continue to comply with all of the permits necessary to develop each of our projects which would force our company to discontinue development, if any, on that project.***

Pursuant to Ghanaian law, if our company discovers economically mineable mineralized material, we must obtain various approvals, licenses or permits pertaining to environmental protection and use of water resources in connection with the development, if any, of our projects. In addition to requiring permits for the development of our mineral concessions where our projects are located, our company may need to obtain other permits and approvals during the life of our projects. Obtaining, renewing and continuing to comply with the necessary governmental permits and approvals can be a complex and time-consuming process. The failure to obtain or renew the necessary permits or licenses or continue to meet their requirements could delay future development and could increase the costs related to such activities.

***The development of all of our company's projects may be delayed due to delays in receiving regulatory permits and approvals, which could impede our company's ability to develop our projects which, absent raising additional capital, could cause it to curtail or discontinue development, if any.***

If our company discovers economically mineable mineralized material, our company may experience delays in developing our projects. The timing of development at our projects depends on many factors, some of which are beyond our control, including:

- taxation;
- the timely issuance of permits; and
- the acquisition of surface land and easement rights required to develop and operate our projects, (in particular, our company is required to acquire surface land through expropriation in connection with our mineral concessions).

These delays could increase development costs of our projects, affect our company's economic viability, or prevent our company from completing the development of our projects.

***Our company's activities are subject to environmental laws and regulations that may increase our company's costs of doing business and may restrict our operations.***

All of our company's exploration activities in Ghana are subject to regulation by governmental agencies under various environmental laws. To the extent our company conducts exploration activities or undertakes new exploration or future mining activities in other foreign countries, our company will also be subject to environmental laws and regulations in those jurisdictions. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays and may cause material changes or delays in our company's intended activities. Our company cannot assure our shareholders that future changes in environmental regulations will not adversely affect our company's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of our company's business, causing our company to reevaluate those activities at that time.

In addition, our company may be exposed to potential environmental impacts during any full scale mining operation. At such time of commencement of full scale mining, if ever, our company plans to negotiate posting of a reclamation bond to quantify the reclamation costs. Our company anticipates that the dollar amount of reserves established for exposure to environmental liabilities will be \$220,000, as to \$150,000 for our Kwabeng project and \$70,000 for our Pameng project, as estimated by the Environmental Protection Agency of Ghana, however, our company is currently unable to predict the ultimate cost of compliance or the extent of liability risks.

The undiscounted amount of cash flows, required over the estimated time of reclamation of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at \$96,395 (2013 - \$220,000, 2012 - \$220,000). The revised 2014 amount is expected to be settled within the current year to further development of the projects. The change in estimate was based on actual historical reclamation costs per acre of land and acres to be reclaimed. During the 2013 and 2012 years, obligation was calculated using a credit-adjusted risk free discount rate of 10% and an inflation rate of 2%. It is expected that this obligation will be funded from general Company resources at the time the costs are incurred. The Company has been required by the Ghanaian government to post a bond of US\$221,322 which has been recorded in restricted cash.

During the year ended December 31, 2014, our company received environmental permits for our Bansa and Muoso projects. These permits are subject to environmental bonds of \$385,000 and \$327,000 being posted within the year ended December 31, 2015. Should the bonds not be posted, our company could lose the permits. Our company is currently negotiating the final balance of the environmental bonds to be posted.

***Our company is unable to predict the remediation costs for potential environmental liabilities.***

The costs of remediation may exceed the provision that our company has made for such remediation by a material amount. Whenever a previously unrecognized remediation liability becomes known, or a previously estimated cost is increased, the amount of that liability or additional cost could adversely affect our company's exploration activities and our financial condition.

***There may be instances where certain events occur that our company is not insured against.***

Our company maintains insurance policies to protect itself against certain risks related to its operations. This insurance is maintained in amounts that our company believes to be reasonable depending upon the circumstances surrounding each identified risk. However, our company may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or for various other reasons; in other cases, insurance may not be available for certain risks. Some concern always exists with respect to investments in parts of the world where civil unrest, war, nationalist movements, political violence or economic crisis are possible. These countries may also pose heightened risks of expropriation of assets, business interruption, increased taxation and a unilateral modification of concessions and contracts. Our company does not maintain insurance policies against political risk. Occurrence of events for which our company is not insured could adversely affect our company's exploration activities and its financial condition.

***Our company is subject to the potential of legal claims and the associated costs of defense and settlement.***

Our company is subject to litigation risks. All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which our company is or may become subject could have a material effect on its financial position, results of operations or our company's project development operations.

***Our company is subject to fluctuations in currency exchange rates, which could materially adversely affect our financial position.***

Our company's primary currency for operations is the United States dollar and, to a lesser extent, the "Cedi", the Ghanaian currency. As at the date of this annual report, our company maintains most of its working capital in Canadian dollars. Our company converts its Canadian funds to foreign currencies as certain payment obligations become due. Accordingly, our company is subject to fluctuations in the rates of currency exchange between the Canadian dollar and these foreign currencies and these fluctuations, which are beyond our control, could materially affect our company's financial position and results of operations. A significant portion of the operating costs of our projects are in Cedi. Our company obtains services and materials and supplies from providers in West Africa. The costs of goods and services could increase or decrease due to changes in the value of the Canadian dollar, the United States dollar, the Cedi or other currencies. Consequently, exploration and development of our projects could be more costly than anticipated.

***Our company's business is impacted by any instability and fluctuations in global financial systems.***

The recent credit crisis and related instability in the global financial system, although somewhat abated, has had, and may continue to have, an impact on our company's business and our company's financial condition. Our company may face significant challenges if conditions in the financial markets do not continue to improve. Our company's ability to access the capital markets may be severely restricted at a time when our company wishes or needs to access such markets, which could have a materially adverse impact on our company's flexibility to react to changing economic and business conditions or carry on our operations.

***Our company is subject to the effects that historically high inflation rate may have on its results.***

Our company's mineral properties are located in Ghana, which has historically experienced relatively high rates of inflation. High inflation rates in Ghana could cause the prices of materials obtained within Ghana to be slightly higher. As our company maintains our funds in U.S. and/or Canadian currency, the effect due to Ghanaian currency fluctuations is minimal.

***The Government of Ghana has the right to increase its current ownership interest of 10% in our company's subsidiary, Xtra-Gold Mining Limited ("XG Mining"), through which our company holds, among other things, its interest in our Kibi project and our other projects, for a consideration agreed upon by the parties or by arbitration and has a right of pre-emption to purchase all minerals produced by XG Mining. If the Government of Ghana were to exercise any of its rights, our company's results of operations in future periods could be adversely impacted.***

The Government of Ghana is granted a 10% free carried interest in all mining operations and has no obligation to contribute to development or operating expenses. The Government of Ghana currently has a 10% free carried interest in XG Mining, one of our Ghanaian subsidiaries that holds all of the mining leases securing our interest in all of the concessions where our projects are located. The Government of Ghana also has:

- the right to acquire an additional interest in XG Mining for a price to be determined by agreement or arbitration;
- the right to acquire a special share (as defined in the Minerals and Mining Act, 2006 (Act 703), as amended by the Minerals and Mining Act, 2010 (Act 794) (the “**Mining Act (Ghana)**”) in XG Mining at any time for such consideration as the Government of Ghana and XG Mining might agree; and
- a right of pre-emption to purchase all minerals raised, won or obtained in Ghana.

While our company is not aware of the Government of Ghana having ever exercised such right of pre-emption, our company cannot assure our shareholders that the Government of Ghana would not seek to exercise one or more of these rights which, if exercised, could have an adverse affect on our company’s results of operations in future periods. If the Government of Ghana should exercise its right to either acquire the additional interest in XG Mining or its right to acquire the special share, any profit that might otherwise be reported from XG Mining’s operations would be proportionally reduced in the same percentage as the minority interest attributable to the Government of Ghana in that subsidiary would be increased. If the Government of Ghana should exercise its right to purchase all gold and other minerals produced by XG Mining, the price it would pay may be lower than the price our company could sell the gold or other minerals for in transactions with third parties and it could result in a reduction in any revenues our company might otherwise report from XG Mining’s operations.

***Our company currently relies on the continued services of key executives, including the directors of our company and a small number of highly skilled and experienced executives and personnel. The loss of their services may delay our company’s exploration activities or adversely affect our business and future operations.***

Due to the relatively small size of our company, the loss of these persons or our company’s inability to attract and retain additional highly skilled employees may lead to our company having to delay our exploration activities or adversely affect our business and future operations.

***Our company may experience difficulty in engaging the services of qualified personnel in connection with our technical operations at our projects.***

If the loss of any of our company’s key technical personnel occurs at any of our projects, our company may have difficulty finding qualified replacements. Our company’s inability to hire and retain the services of qualified persons for these positions in a timely manner could impede our company’s exploration activities at any of our projects which would have a material adverse effect on our company’s ability to conduct business.

***Our company is subject to changes in political stability in West Africa.***

Our company conducts exploration and development activities in Ghana, West Africa. Our company’s projects in Ghana may be subject to the effects of political changes, war and civil conflict, changes in government policy, lack of law enforcement and labor unrest and the creation of new laws. These changes (which may include new or modified taxes or other government levies as well as other legislation) may impact the profitability and viability of our properties. The effect of unrest and instability on political, social or economic conditions in Ghana could result in the impairment of exploration, development and mining operations. Any such changes are beyond the control of our company and may adversely affect our business.

In addition, local tribal authorities in West Africa exercise significant influence with respect to local land use, land labor and local security. From time to time, the Government of Ghana has intervened in the export of mineral concentrates in response to concerns about the validity of export rights and payment of duties. No assurances can be given that the co-operation of such authorities, if sought by our company, will be obtained, and if obtained, maintained.

The Government of Ghana also recently announced that it will be engaging companies to address the issue of dividend payment, exemptions and the mining sector fiscal regime, generally. As a result of these discussions, the Government of Ghana could amend the Mining Act (Ghana) or other regulations resulting in a material adverse impact on our company including increases in operating costs, capital expenditures or abandonment or delays in development of mining properties.

***The mining industry is a competitive industry and our company may compete with larger, more established competitors for gold acquisition opportunities.***

Significant and increasing competition exists for the limited number of gold acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than our company, our company may be unable to acquire additional attractive mining properties on terms we consider acceptable.

***The marketability of our company's minerals may be influenced by various industry conditions.***

The marketability of minerals, if any, which may be acquired or discovered by our company, will be affected by numerous factors beyond the control of our company. These factors include market fluctuations, the proximity and capacity of mineral markets and processing equipment and government regulations, including regulations relating to prices, taxes, royalties, land tenure and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in our company not receiving an adequate return on invested capital. The probability of our company not receiving an adequate return on invested capital will be, to a significant extent, dependent upon the market price for gold. Gold prices fluctuate dramatically and are affected by numerous industry factors, such as interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand for precious metals, forward selling by producers, central bank sales and purchases of gold, production and cost levels in major gold producing regions and the political and economic conditions of major gold, copper or other mineral-producing countries throughout the world. Moreover, gold prices are also affected by macro-economic factors such as expectations for inflation, interest rates, currency exchange rates and global or regional political and economic situations. The current demand for, and supply of, gold affects gold prices, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. The potential supply of gold consists of new gold mine production plus existing stocks of bullion and fabricated gold held by governments, financial institutions, industrial organizations and individuals. Since mine production in any single year constitutes a very small portion of the total potential supply of gold, normal variations in current production do not necessarily have a significant effect on the supply of gold or its price.

***It may be difficult for our shareholders to enforce any judgment obtained in the United States against us or our officers or directors, which may limit the remedies otherwise available to our shareholders.***

The majority of our directors and officers are residents of countries other than the United States and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult or impossible for our shareholders to:

- effect service of process on our directors or officers, or
- enforce any United States judgment they receive against us or our officers or directors in a foreign court, or including judgments predicated upon the securities laws of the United States or any state thereof. In addition, there is uncertainty as to whether foreign courts would be competent to hear original actions brought in such foreign court against us or such persons predicated upon the securities laws of the United States or any state thereof. Consequently, you may be effectively prevented from pursuing remedies under U.S. federal securities laws against us or our officers and directors. The foregoing risks also apply to those experts identified in this Annual Report that are not residents of the United States.

**Risks Relating to our Common Shares**

***Broker-dealers may be discouraged from effecting transactions in our common shares because they are considered a penny stock and are subject to the penny stock rules.***

Rules 15g-1 through 15g-9 promulgated under the Exchange Act impose sales practice and disclosure requirements on certain brokers-dealers who engage in certain transactions involving a "penny stock". Subject to certain exceptions, a penny stock generally includes any equity security not listed on a stock exchange that has a market price of less than \$5.00 per share. Our common shares have traded below \$5.00 per share throughout its trading history.

A broker-dealer selling penny stock to anyone other than an established customer or "accredited investor", generally, an individual with net worth in excess of \$1,000,000 or an annual income exceeding \$200,000, or \$300,000 together with his or her spouse, must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker-dealer or the transaction is otherwise exempt. In addition, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the United States Securities and Exchange Commission relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the registered representative and current quotations for the securities. Finally, a broker-dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks. The additional sales practice and disclosure requirements imposed upon broker-dealers may discourage broker-dealers from effecting transactions in our common shares, which could severely limit the market liquidity of our common shares and impede the sale of our common shares in the secondary market.

*The price of our common shares is likely to be highly volatile and possibly illiquid, which could cause the value of investments to decline.*

The market price of our common shares may be highly volatile and possibly illiquid. Our shareholders may not be able to resell their common shares following periods of volatility because of the market's adverse reaction to volatility. Factors that could cause such volatility may include, among other things:

- actual or anticipated fluctuations in our quarterly operating results;
- large purchases or sales of our common shares;
- additions or departures of key personnel;
- investor perception of our company's business prospects;
- conditions or trends in other industry related companies;
- changes in the market valuations of publicly traded companies in general and other industry-related companies; and
- world-wide political, economic and financial conditions.

*The markets for our common shares is limited.*

There is currently only a limited trading market for our common shares. Our common shares trade on the OTC Bulletin Board under the symbol "XTGRF" which is a limited market in comparison to the NASDAQ Global Market, the NYSE MKT LLC and other national securities exchanges. Our securities are also listed on the Toronto Stock Exchange (the "TSX") under the trading symbol "XTG". The market for our securities on the TSX only commenced in November 2010 and, to date, trading has been limited. There is no assurance that the market for our common shares on the OTC Bulletin Board or the TSX will develop into active trading markets.

*In connection with future stock offerings, the value of our company's common shares may become diluted as more of our common shares are issued and outstanding.*

Our company may undertake in the future additional offerings of our common shares or of securities convertible into our common shares. The increase in the number of our common shares issued and outstanding and the possibility of sales of such common shares may depress the price of our common shares. In addition, as a result of such additional common shares, the voting power of our company's existing shareholders will be diluted.

*We are authorized to issue an unlimited number of shares without prior shareholder consent which will be dilutive to our shareholders.*

Xtra-Gold is authorized to issue an unlimited number of no par value common shares of a single class which may be issued by our Board of Directors without further action or approval of our shareholders. While our Board of Directors is required to fulfill its fiduciary obligation in connection with the issuance of such shares, the shares may be issued in transaction with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interest of our company's shareholders.

*We have never paid cash dividends on our common shares.*

We have never paid dividends on our common shares and do not presently intend to pay cash dividends on our common shares. Any future decisions as to the payment of dividends will be at the discretion of our Board of Directors, subject to applicable law.

#### **Risks Related to our Company Post Continuation**

In November 2012, as a result of the adoption by our shareholders of certain resolutions, at a special meeting of shareholders held on November 16, 2012 and a plan of conversion (the "**Plan of Conversion**") under Chapter 92A of the Nevada Revised Statutes filed with the Nevada Secretary of State and the subsequent filing of a memorandum of association and articles of association (the "**Memorandum and Articles**") with the Registrar of Corporate Affairs in the British Virgin Islands (the "**BVI**"), both of which were filed on November 30, 2012, we changed the jurisdiction of incorporation of our company from Nevada to the BVI (the "**Continuation**").

***We will still be treated as a U.S. corporation and taxed on our worldwide income after the Continuation.***

The Continuation of our company from Nevada to the BVI was for corporate purposes a migration from Nevada to the BVI. Transactions whereby a U.S. corporation migrates to a foreign jurisdiction are considered by the United States Congress to be a potential abuse of the U.S. tax rules because after the migration the foreign entity is not subject to U.S. tax on its worldwide income. As a result, Section 7874(b) of the Code was enacted in 2004 to address this potential abuse. Section 7874(b) of the Code provides generally that a corporation that migrates from the United States will still remain subject to U.S. tax on its worldwide income unless the migrating entity has substantial business activities in the foreign country in which it is migrating when compared to its total business activities.

Section 7874(b) of the Code applies to the migration of our company from Nevada to the BVI, causing our company to be subject to United States federal income taxation on our worldwide income because our company does not have substantial business activities in the BVI when compared to its total business activities. Our administrative functions and our business operations are primarily located outside of the BVI. Substantially, all of our shareholders reside outside of the BVI and historically most of our funds have been raised outside of the BVI. Accordingly, we believe that our company will continue to be treated as a U.S. domestic corporation under Section 7874 of the Code after the Continuation.

Moreover, while we believe we have addressed the material U.S. federal income tax considerations as to the exchange of the shares of common stock of our company, as a Nevada company for shares of our company, as a BVI company pursuant to the Continuation, we cannot assure Holders that we have addressed the material U.S. federal income tax consequences to persons who may be subject to special provisions of the U.S. federal income tax law based on their individual circumstances. Holders should review the discussion under “Material United Federal Tax Consequences” in its entirety, including the definitions of “U.S. Holder” and “Non-U.S. Holder” described therein.

***Under the BVI Business Companies Act, 2004 (the “BVI Act”), the number of shareholder votes required to approve certain fundamental matters, including amendments to our articles and business combination transactions, may be less than under Nevada law with the result that these transactions may more easily be approved under the BVI Act than under Nevada law.***

Under the BVI Act, shareholder approval by resolution, being a majority approval, is required to approve certain fundamental changes, including amendments to our articles and mergers, which are the equivalent of mergers under Nevada law. Under the BVI Act, the majority approval is determined based upon those shareholders present at the meeting and entitled to vote on the fundamental change. While majority approval is required, the number of shares required may be significantly less than 50% of the outstanding share capital, which is the requirement under Nevada law, due to the fact that the quorum requirement for shareholders meetings is only two individuals present in person, each of whom is a stockholder or a proxyholder entitled to vote at a meeting.

***Pursuant to the Memorandum and Articles of our company, our shareholders will have greater rights of dissent, with the result that dissenting shareholders may impede our ability to make fundamental corporate changes or increase the cost to us of making these changes.***

Pursuant to our Memorandum and Articles, our shareholders will have the right to dissent when we amend our articles to change any provisions restricting or constraining the issue, transfer or ownership of shares of that class. Our shareholders will also have dissenters’ rights when we propose to amend our articles to add, change or remove any restrictions on our business or businesses that we may carry on, merge (other than a vertical short-form merger with a wholly-owned subsidiary), continue to another jurisdiction, sell, lease or exchange all or substantially all of our property, or carry out a going private or squeeze-out transaction. The exercise by shareholders of their dissent and appraisal rights when we attempt to complete any of these fundamental changes could impede our ability to make fundamental corporate changes or increase the cost to us of making these changes.

***The stock price of our common shares may be volatile. In addition, demand in the United States for our common shares may be decreased by the change in domicile.***

The market price of our common shares may be subject to significant fluctuations in response to variations in results of operations and other factors. Developments affecting the mining industry generally, including general economic conditions and government regulation, could also have a significant impact on the market price for our common shares. In addition, the stock market has experienced a high level of price and volume volatility. Market prices for the stock of many similar companies have experienced wide fluctuations which have not necessarily been related to the operating performance of such companies. These broad market fluctuations, which are beyond our control, could have a material adverse effect on the market price of our common shares. We cannot predict what effect, if any, the Continuation will have on the market price prevailing from time to time or the liquidity of our common shares. The change in domicile may decrease the demand for our common shares in the United States. The decrease may not be offset by increased demand for our common shares in the BVI.

*As a reporting issuer under Section 15(d) of the Exchange Act, we file more limited reports with the SEC than do companies who are registered under Section 12(g) of the Exchange Act. As we have elected “foreign private issuer” status following our Continuation into the BVI, our reporting obligations under U.S. securities laws is more limited than if we had remained a domestic issuer. This lack of transparency may make it more difficult for investors in our securities to make informed investment decisions.*

While we are subject to Section 15(d) of the Exchange Act, we do not have a class of securities registered under Section 12(g) of the Exchange Act. Consequently, we file more limited reports with the SEC than do companies whose shares are registered under Section 12(g). For example, as a company reporting under Section 15(d) of the Exchange Act, we are not subject to the SEC’s proxy rules and our officers, directors and principal shareholders are not required to file reports under Section 16(a) of the Exchange Act, and such persons are not subject to the short-swing profit rules of Section 16(b) of the Exchange Act.

Following our Continuation into the BVI, we have qualified as a foreign private issuer under U.S. securities laws and we have elected foreign private issuer status. While we will remain subject to limited reporting obligations under U.S. federal securities law, as a foreign private issuer:

- we are not required to file quarterly reports on Form 10-Q with the SEC; although since our securities are listed on the TSX we are a reporting issuer in Canada and subject to the rules of the Canadian securities administrators (the “CSA”) which includes the applicable provincial securities commissions in the provinces of British Columbia, Alberta and Ontario, we will file quarterly reports containing unaudited interim financial statements and MD&A with the CSA via SEDAR (System for Electronic Delivery of Analysis and Retrieval) and, in accordance with SEC rules, post copies of such reports on our website;
- we are not required to file current reports on Form 8-K; although we are required to file current reports on Form 6-K but for less mandatory items than are required under Form 8-K, and since our securities are listed on the TSX and subject to the rules of the CSA, we will file material change reports with the CSA via SEDAR and, under SEC rules, post copies of such reports on our website;
- our officers, directors and principal shareholders are not subject to Section 16 of the Exchange Act, which otherwise requires them to file ownership reports with the SEC and subjects them to “short-swing” profit liability;
- we are not subject to the SEC’s proxy rules; and
- we are not subject to the provisions of Regulation FD which is designed to prevent selective disclosure of material information.

While we believe that the disclosure requirements of the TSX and the CSA, and SEC regulations applicable to foreign private issuers, will collectively provide transparency to the investment community and allow informed investment decisions to be made by investors in our securities, there is no assurance that the reduced transparency afforded to foreign private issuers will not also reduce the information available to investors and make investment decisions in our securities more difficult.

#### **Item 4 Information on Xtra-Gold**

##### **A. History and Development of Xtra-Gold**

On November 30, 2012, we completed the Continuation to the BVI which resulted in the change of the jurisdiction of incorporation of our company from Nevada to the BVI.

##### **B. Business Overview**

We are engaged in the exploration of gold properties exclusively in Ghana, West Africa in the search for mineral deposits and mineral reserves which could be economically and legally extracted or produced. Our exploration activities include the review of existing data, grid establishment, geological mapping, geophysical surveying, trenching and pitting to test the areas of anomalous soil samples and reverse circulation (RC) and/or diamond drilling to test targets followed by infill drilling, if successful, to define a mineral reserve.

Our mining portfolio currently consists of 225.87 square kilometers comprised of 33.65 square kilometers for our Kibi project, 51.67 square kilometers for our Banso project, 55.28 square kilometers for our Muoso project, 44.76 square kilometers for our Kwabeng project, and 40.51 square kilometers for our Pameng project, or 55,873 acres, pursuant to the leased areas set forth in our mining leases.

Our interests in our projects are held by our Ghanaian subsidiary, XG Mining, through mining leases granted by the Government of Ghana and registered to XG Mining for leased areas located within and upon concessions in Ghana. A concession is a grant of a tract of land made by a government or other controlling authority in exchange for an agreement that the land will be used for a specific purpose. The mining lease areas for our projects total approximately 226 square kilometers and are located at the northern extremity of the Kibi Gold Belt which is a greenstone belt, as defined in all the geological publications in Ghana, and is one of the four main greenstone belts located in Ghana.

#### *Development of our Business During 2014*

As at the date of this annual report, we have the following five projects all of which are in the exploration stage.

- **Kibi Project.** Our Kibi project is located on the Apapam concession and is our only material project. This project encompasses the Zone 2 – Zone 3 – Zone 4 gold system consisting of an over 5.5 kilometer long mineralized trend delineated from gold-in-soil anomalies, geophysical interpretations, trenching and drilling along the northwest margin of the Apapam concession and the recently discovered Zone 5 auriferous shear system spatially associated with a 1.8 kilometer long gold-in-soil anomaly lying at the northeast extremity of the concession.

Exploration activities on this project from January 1 to December 31, 2014, being the fiscal year for which this annual report is being filed, was limited to Zone 5 reconnaissance geology / prospecting with 144 rock composite chip samples collected and geological - geophysical modelling geared towards drill target selection.

With a view to conserving our company's working capital, management decided to scale back the exploration planned for this project during the fiscal year.

See "Kibi Project – Prior Exploration by Xtra-Gold" for exploration activities conducted by our company during the two years preceding the fiscal year.

As at the date of this annual report, during 2015, we plan to conduct:

- an exploration program consisting of additional outcrop stripping / trenching followed by detailed geological mapping and channel sampling to further investigate the auriferous occurrences discovered by the latest prospecting efforts and to further define the strike-extensions of the known gold-bearing shear zones;
- prospecting / reconnaissance geology of the additional prospective IP/Resistivity targets present along the 2.2 km long Zone 5 grid is also planned; and
- a drill program of approximately 2,000 to 3,000 meters at an estimated cost of \$300,000 to \$500,000.

**Kwabeng Project.** Our Kwabeng project is located on the Kwabeng concession. During the fiscal year for which this annual report is being filed, we conducted geological compilation, prospecting and reconnaissance geology to identify and/or further advance grassroots targets on this project. During the fiscal year, we announced:

- prospecting and sampling results for the Bomaa prospect (May 2014).

See "Kwabeng Project – 2014 Exploration Program" for the details and results of this exploration work. In connection with the two years preceding the fiscal year, we did not conduct any exploration activities at this project in 2012. See "Kwabeng Project – 2013 Exploration Program" for the details and results of the exploration work conducted in 2013.

As at the date of this annual report, during 2015, we plan to conduct an exploration program consisting of:

- ongoing geological compilation, prospecting, soil geochemical sampling, and scout trenching to identify and/or further advance grassroots targets.

We commenced placer gold recovery operations at our Kwabeng project in late March 2013 and during the fiscal year, we recovered 1,159 ounces of placer gold and sold 1,159 ounces for net proceeds of \$411,152. As at the date of this annual report, during 2015, we plan to continue placer gold recovery operations at this project.

**Pameng Project.** Our Pameng project is located on the Pameng concession. During the fiscal year for which this annual report is being filed, we conducted geological compilation, prospecting, reconnaissance geology and soil geochemical sampling, to identify and/or further advance grassroots targets on this project as follows:

- soil geochemical sampling was completed on two grids with a total of approximately 80.5 line-km cross-lines established at 200 meter spacing and 2,853 soil samples collected at 25 meter station spacing. A total of 202 rock composite chip samples were collected as part of a prospecting program focusing on the ground proofing of geophysical and structural geology targets. With a view to conserving our company's working capital, management decided to postpone the laboratory analyses of the soil and rock samples for the fiscal year.

In connection with the two years preceding the fiscal year, we did not conduct any exploration activities at this project. As of the date of this annual report, during 2015, we plan to conduct an exploration program consisting of:

- ongoing geological compilation, prospecting, soil geochemical sampling, and scout trenching to identify and/or further advance grassroots targets.

As at the date of this annual report, for the fiscal year, we have estimated \$180,000 for the cost to conduct the exploration programs noted above at our Kibi, Kwabeng and Pameng projects.

- **Banso Project.** Our Banso project is located on the Banso concession. During the fiscal year, we did not conduct any exploration activities on this project. See “Banso Project – Exploration Activities by Buccaneer Gold Corp. in 2012 and 2013” for exploration activities conducted on this project during the two years preceding the fiscal year. As at the date of this annual report, we have not planned to conduct any exploration activities at this project during the next 12 months, however, we may consider doing so at a later date.
- **Muoso Project.** Our Muoso project is located on the Muoso concession. During the fiscal year, we did not conduct any exploration activities on this project. See “Muoso Project - Exploration Activities by Buccaneer Gold Corp. in 2012 and 2013” for exploration activities conducted on this project during the two years preceding the fiscal year. As at the date of this annual report, we have not planned to conduct any exploration activities at this project during the next 12 months, however, we may consider doing so at a later date.

In connection with the Banso and Muoso projects, our company entered into an agreement in January 2011 with Buccaneer Gold Corp. (formerly Verbina Resources Inc.), a mineral resource company listed on the TSX Venture Exchange (the “TSXV”). This agreement set forth the terms and conditions for which Buccaneer Gold Corp. could acquire an undivided 55% interest in our company’s 90% interest in the minerals rights for these projects. As part of the criteria for Buccaneer Gold Corp. to earn the 55% interest, this company was required to incur \$4.5 million in exploration expenditures over a five year period which commenced in February 2011. For clarity purposes, these expenditures can be incurred for exploration work conducted on either or both of these projects. In April 2013, Buccaneer Gold Corp. ceased all exploration activities at these projects to conserve capital due to market conditions. We granted Buccaneer Gold Corp. a two year extension to complete its obligation to incur the \$4.5 million in exploration expenditures. As at the date of this annual report, we continue to support Buccaneer Gold Corp. and expect their exploration efforts at these projects will restart when the junior exploration market improves. In addition to the foregoing, Buccaneer Gold Corp. has also acquired a 55% interest in the alluvial rights relating to the Banso and Muoso projects by making a payment of \$50,000 to our company.

As of the date of this annual report, we have:

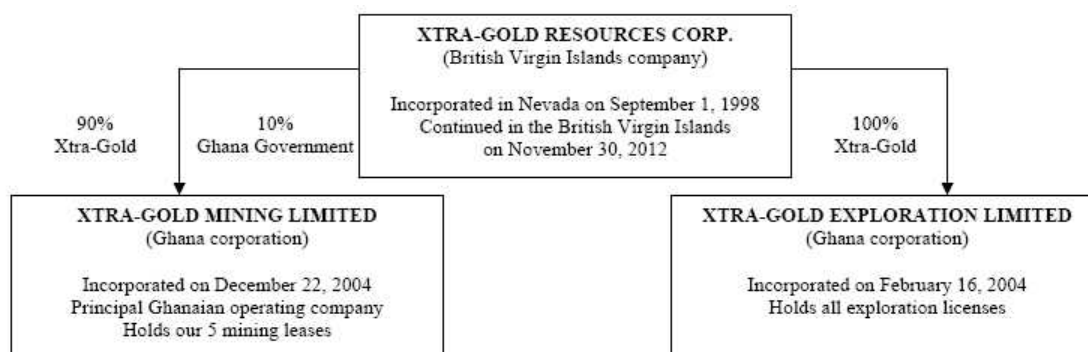
- received gross proceeds of \$10,795,193 from our recovery of placer gold operations at our Kwabeng, Pameng and Kibi projects since we commenced these operations;
- have achieved losses since inception;
- have minimal operations, and
- relied upon the sale of our securities and the proceeds derived from our recovery of placer gold operations to fund our operations.

*Principal Capital Expenditures/Divestitures over the last Three Fiscal Years*

Our company has not had any principal capital expenditures or divestitures over the last three fiscal years.

### C. Organizational Structure

The following organization chart sets forth our significant subsidiaries.



### D. Property, Plants and Equipment

#### Technical Information

The hardrock, lode gold exploration technical information relating to our mineral properties contained in this annual report on Form 20-F is based upon information prepared by or the preparation of which was supervised by Yves Clement, P.Geo., our Vice-President, Exploration.

#### Location of Operations

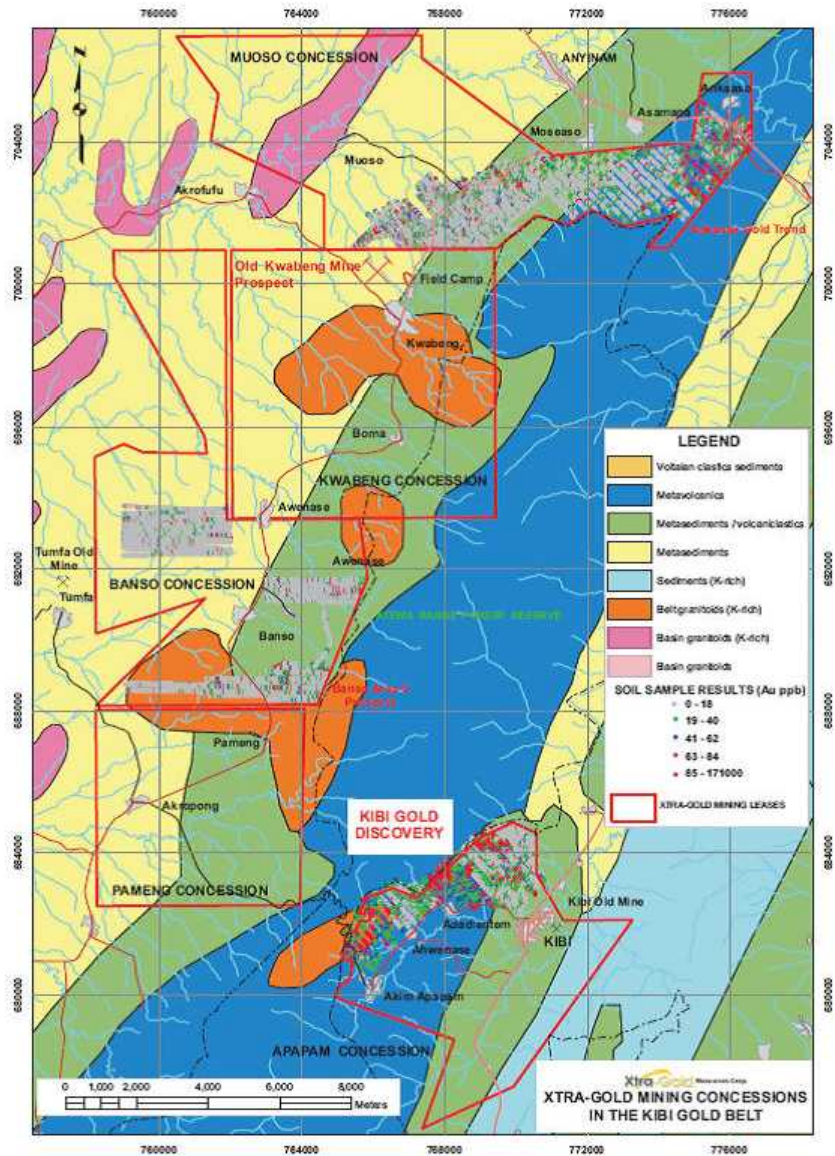
Except for the land upon which our field camp is located in Kwabeng, Ghana, we do not own any real property. We own the mineral rights on our projects located in the Kibi Gold Belt where all of our exploration activities are currently conducted. Mining leases granted by the Government of Ghana and registered to our Ghanaian subsidiary, XG Mining, grant us the right to operate at our Kibi, Kwabeng, Pameng, Banso and Muoso projects and are described elsewhere in this annual report.

We currently conduct limited administrative activities from our corporate office located at Suite 902, 357 Bay Street, Toronto, Ontario, M5H 2T7, Canada, where we have leased 881 square feet for a five year term commencing on November 1, 2012 and expiring on October 31, 2017, at approximately \$3,161 (CAD\$3,667) per month.

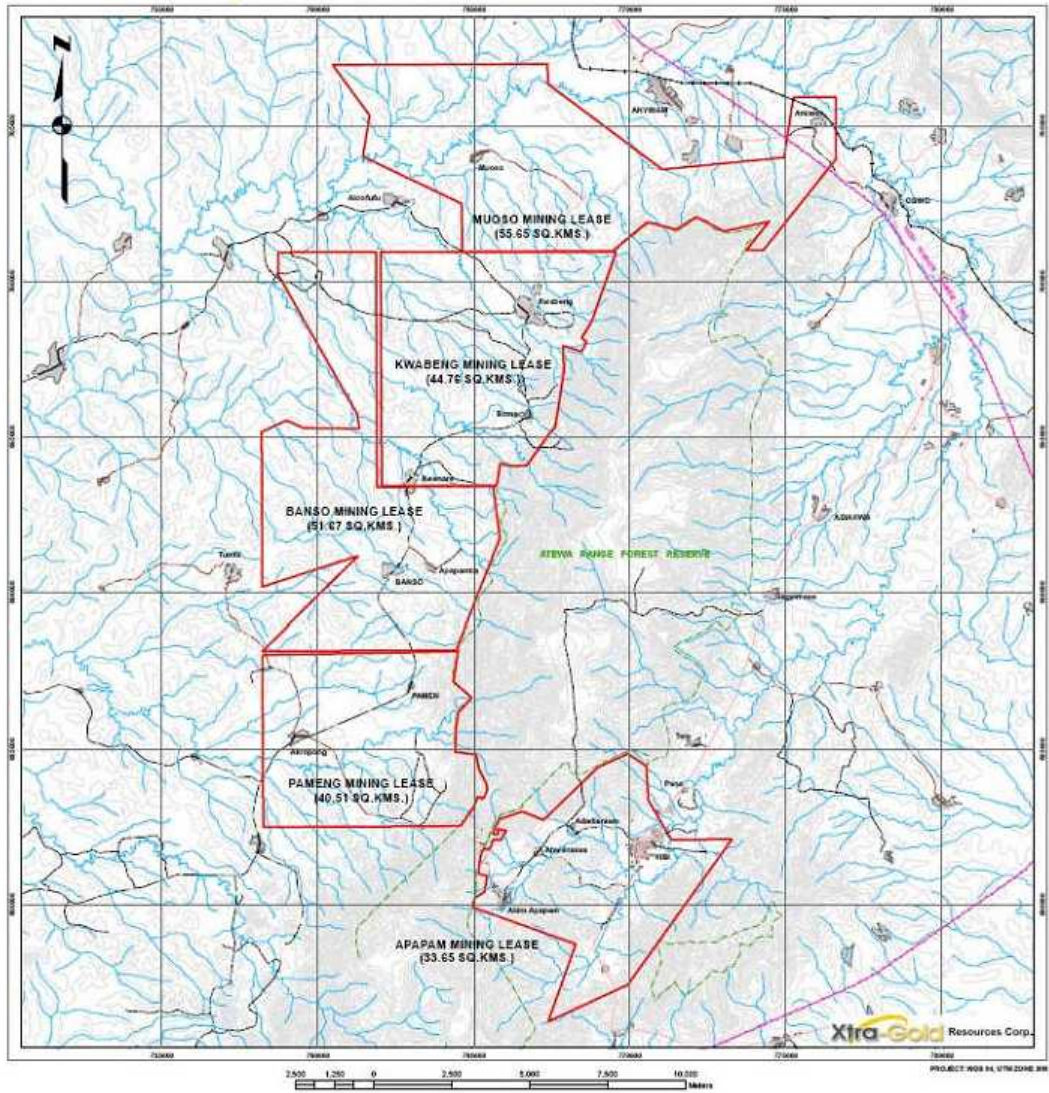
As of the date of this annual report, our technical and administrative activities are conducted at our field camp. We do not pay any rent as we own our field camp.

*Map of Projects and Operations*

The map below shows the locations of our Kibi, Kwabeng, Pameng, Banso and Muoso projects all of which are described in further detail in this annual report.



**Xtra-Gold Mining Concessions Located in the Kibi Gold Belt**



**Xtra-Gold Mining Leases Located in the Kibi Gold Belt**

## **Overview of Projects**

All of our mineral exploration projects are currently at an early stage of evaluation. As at the date of this annual report, no mineralized material or mineral reserve estimates have been made at any of our projects.

Except for the following exploration activities which we have planned for 2015: at our Kibi project:

- an exploration program consisting of additional outcrop stripping / trenching followed by detailed geological mapping and channel sampling to further investigate the auriferous occurrences discovered by the latest prospecting efforts and to further define the strike-extensions of the known gold-bearing shear zones;
- prospecting / reconnaissance geology of the additional prospective IP/Resistivity targets present along the 2.2 km long Zone 5 grid is also planned; and
- a drill program of approximately 2,000 to 3,000 meters at an estimated cost of \$300,000 to \$500,000;

at our Kwabeng project:

- ongoing geological compilation, prospecting, soil geochemical sampling, and scout trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at this project; and

at our Pameng project:

- ongoing geological compilation, prospecting, soil geochemical sampling, and scout trenching to identify and/or further advance grassroots targets;

there are no exploration activities currently being conducted on our other projects or have any such activities been planned for the next 12 months, however, we may consider doing so at a later date.

## **Title to Properties**

We hold 30-year mining leases expiring on July 26, 2019 on our Kwabeng and Pameng concessions, a 7-year mining lease on our Apapam concession expiring on December 17, 2015, a 14-year mining lease on our Banso concession expiring on January 5, 2025 and a 13-year mining lease on our Muoso concession expiring on January 5, 2024.

## **Recovery of Placer Gold**

In July 2010, we entered into agreements with independent Ghanaian contract miners to recover placer gold and produce the mineralized material from our Kibi and Pameng projects and an agreement with Ravenclaw Mining Limited, a Swiss company (see footnote 8 following the compensation table under "Compensation – Directors and Senior Management Compensation Table"), to assist in overseeing the contract miners to limit our involvement in the placer gold recovery operations from July 2010 through December 2011 and enable our company to focus on lode gold exploration activities (see "Kibi Project – Recovery and Sale of Placer Gold" and "Pameng Project – Recovery and Sale of Placer Gold" for further details). There was no placer gold recovery operations carried out at these projects during 2012 through to the end of the fiscal year.

As of the date of this annual report, we have resumed placer gold recovery operations at our Kwabeng project and have engaged Ravenclaw Mining Limited to assist us (see "Kwabeng Project – Resumption of Placer Gold Recovery Operations at our Kwabeng Project" for further details). During 2010 through 2012, we did not conduct any placer gold recovery operations at our Kwabeng project. During 2013 and the fiscal year, we conducted placer gold recovery operations at our Kwabeng project (see "Kwabeng Project - Recovery and Sale of Placer Gold" for further details).

## **VTEM Survey**

In 2011, an airborne Versatile Time-domain Electromagnetic ("VTEM"), Magnetic and Radiometric survey (the "VTEM survey") was completed by our company on our projects which are all located in the Kibi Gold Belt and encompassed approximately 4,000 line-kilometers at 200 meter line spacing, with approximately 490 line-kilometers of detail 100 meter line spacing coverage over our core Kibi project mining lease area. The VTEM system is renowned for its superior penetration depth of greater than 400 meters, low base frequency for enhanced penetration in conductive ground cover and high spatial resolution which permits the spotting of drill targets directly off the airborne anomalies. The primary purpose of the VTEM survey was to delineate auriferous graphitic or sulphidic shears but resistivity-depth data may also help further define and/or identify the granitoid bodies hosting the Kibi project mineralization. In addition to helping map lithological contacts, including the gold prospective granitoid bodies, the aeromagnetic survey will permit the detection of low-magnetic domains possibly reflecting demagnetization resulting from intense gold-related hydrothermal alteration. The radiometric survey may also help further define and/or identify the gold-hosting granitoid bodies.

The VTEM data was incorporated into the geological compilation following our receipt of the final survey interpretation data from Geotech Airborne Limited (see “Technical Reports - Interpretation Report of VTEM Survey” below for further details). This integrated survey, in combination with previous soil geochemistry and reconnaissance geology surveys will help further delineate known gold occurrences outside Zone 2 of the Kibi project, and evaluate the remainder of the Apapam mining lease area for the hosting of granitoid-hosted and Ashanti style shear zone gold mineralization. Similarly, the VTEM survey will help further define the extent and regional controls of the gold-bearing structures discovered to date by scout trenching on the Ankaase Gold Trend, located on the Muoso concession, and Banso Area No. 3 gold-in-soil anomalies; with the objective of guiding follow-up trenching designed to outline high priority, cost effective drill targets.

### **Technical Reports**

#### *Interpretation Report of VTEM Survey*

In August 2011, Geotech Airborne Limited provided our company with a report setting forth its interpretation of approximately 4,027 line kilometers of electromagnetic, magnetic and radiometric data for gold exploration in our Kibi project area.

The airborne geophysical datasets display a complex signal largely dominated by NE-SW to NNE-SSW structures that are interpreted as shear zones and graphitic sediments. Metasediments, metavolcanics and granitoids units have been delineated from their geophysical (magnetic, electromagnetic and radiometric) characteristics. The electromagnetic anomaly picks show elongated patterns of conductors located in NE-SW to NNE-SSW trending areas interpreted as graphitic layers within the interpreted shear zone and graphitic sediments.

The available geological and geophysical data was interpreted in terms of gold potential within the area of interest. The geophysical interpretation used the genetic model for stockworks/silicification gold emplacement and the genetic model of granitoid gold emplacement. A total of 38 targets were delineated and ranked according to a priority level for ground follow-up. Geotech Airborne Limited suggested that these targets should be further investigated in the field using geology and geochemistry before planning a drilling program.

#### *Modified Gold Department Study*

In October 2011, SGS South Africa (Pty) Ltd. provided our company with a mineralogical report relating to mineralogical test work consisting of a modified gold department study to characterize the gold, in two samples, to recommend a process route to maximize gold recoveries. Approximately 10 kilograms of sample G478923 sulphide material (drill core) and 10 kilograms of composite oxide (saprolite) material were utilized for the test work. The composite oxide sample was created by SGS South Africa (Pty) Ltd. from trench samples that were crushed and combined. The mineralogical test work included metallurgical and mineralogical tests and was done in conjunction with gravity test work conducted by the Metallurgical Section of SGS South Africa (Pty) Ltd. This report outlined the methodology as to how the different tests were conducted, the results of the test work, conclusions and recommendations.

The objective of the modified gold department study was to gain an understanding of the nature and mode of occurrence of the gold in each sample. The modified gold department study included the following:

- test work to determine the amenability of the ore to gravity recovery;
- gold distribution across size fractions (grading analysis);
- heavy liquid separation to determine the amount of free gold or gold in heavy particles such as sulphides;
- exposure and mineral association analysis of the particulate gold grains in the gravity concentrate;
- chemical composition of the ore and metallurgical test products;
- general mineralogical characterization of the ore;
- identification and quantification of gold minerals including native gold, gold-tellurides, etc. in the gravity concentrates;

- grain size distribution of the gold grains in the gravity concentrate;
- test work to determine the gold recovery by direct cyanidation; and
- diagnostic leach analysis of the gravity tailings to determine the gold deportment in the gravity tails.

SGS South Africa (Pty) Ltd. made the following preliminary gold recovery conclusions in their report:

- The gold in the G478923 gold ore samples (3.49 g/t Au) is highly amenable to cyanidation leaching with ~97% recoverable by means of direct cyanidation. This ore is also amenable to gravity upgrading, with ~67% of the gold recovered at a mass pull of ~3%. In the gravity concentrate (97.5 g/t Au), a total of 143 particulate gold grains were observed in the gravity concentrate of this sample.
- The grading analysis on the G478923 gold ore sample indicated a very high upgrading of gold in the +106µm size fraction (~69%). This indicates that the gold is either large gold grains or locked in large gold-bearing particles. From the liberation and mineral association characteristics determined by QEMSCAN, on the gravity concentrate, the gold was found to be ~63% liberated and ~25% was associated with pyrite. This indicates that the gold is either large, liberated gold grains or locked in large gold-bearing pyrite particles.
- The direct cyanidation and diagnostic leach indicates that the sample is highly amenable to cyanide leaching, with ~97% of the gold recovered from the head sample at a grind of 80%-75µm by direct cyanidation and ~96% for the gravity tailings at a grind of ~50%-75µm. This is corroborated by the exposure and the mineral association characteristics as determined by QEMSCAN analysis of the gravity concentrate. Approximately 90% of the particulate gold grains are ≥10% exposed and should be leachable.
- The gold in the composite gold ore sample (7.28 g/t Au) is also highly amenable to cyanidation, with ~97% of the gold recoverable by means of direct cyanidation. The ore is also amenable to gravity upgrading, to some degree, with only ~56% of the gold recovered at a mass pull of ~3%. In the gravity concentrate (134.83 g/t Au) a total of 125 particulate gold grains were observed by QEMSCAN.
- The grading analysis on the composite gold ore sample indicated a very high upgrading of gold in the +106µm size fraction (~74%). This indicates that the gold is either large gold grains or locked in large gold-bearing particles. From the liberation and mineral association characteristics determined by QEMSCAN analysis of the gravity tailings, it was found that the gold grains were moderately liberated (~76%) and that ~10% was occurring in silicates and ~14% in oxides. This indicates that the gold is either large, liberated gold grains or locked in large gold-bearing silicate/oxide particles.
- The direct cyanidation and diagnostic leach tests indicated that the sample is highly amenable to cyanide leaching, with ~98% of the gold recovered from the head sample at a grind of 80%-75µm and ~99% of the gold in the gravity tailings at a grind of 50%-75µm. This is corroborated by the exposure and mineral association characteristics of particulate gold in the gravity concentrate, as determined by QEMSCAN analysis. Approximately ~96% of the gold grains are ≥10% exposed and should be leachable.
- The most simplistic processing option would be to mill the ore to ~80%-75µm followed by carbon-in-leach cyanidation. Another option, which may result in somewhat lower operational cost is to mill the ore relatively coarsely (say 80%-106µm) followed by gravity concentration and intensive cyanidation of the gravity concentrate. The gravity tailings could then be milled finer to ~80%-75 µm, followed by carbon-in-leach cyanidation. Taking out the coarse gold and some of the sulphides by gravity, will allow shorter retention times in the leach tanks and possibly even lower cyanide consumption.

#### *Report on Structural Geological Investigations of Zone 2, Kibi Project*

In November 2011, SRK Consulting (Canada) Inc. provided our company with a report of their structural geological investigations of Zone 2 (Big Bend zone, South zone and other zones including the Mushroom zone) on our Kibi project.

#### Objectives and Overview

- to review geological mapping to date and to provide on ground structural geological guidance; and
- to conduct structural geological investigations of key exposures and drill core at Zone 2 with a focus on understanding:
  - the 3D geometry of diorite dykes;

- structural controls on the distribution of gold mineralization (including ore plunge); and
- kinematics of shear/fault zones and their influence on the distribution of gold mineralization.

#### SRK Consulting (Canada) Inc. Conclusions

- The distribution of gold mineralization in the Big Bend zone is controlled by two NNE-trending shear zones that bound the auriferous zone in a quartz diorite.
- Auriferous quartz veins in the Big Bend zone comprise:
  - shear and extensional veins related to the development of NNE-trending shear zones; and
  - stockwork veins in a particular portion of the quartz diorite.
- Vein geometry, rare kinematic indicators and steeply plunging mineral lineation imply that deformation associated with gold mineralization in the Big Bend zone resulted from a protracted episode of reverse SE over NW movement.
- The controls on gold mineralization at the South zone and other zones are not well understood and require further oriented core drilling followed by structural geology investigations.

#### SRK Consulting (Canada) Inc. Recommendations

##### Big Bend Zone

- complete infill drilling at the Big Bend zone to confirm gold grade continuity;
- conduct detailed petrography studies to identify compositional variations in the quartz diorite and verify their potential control on the distribution of gold mineralization;
- include structural contours of auriferous diorite contacts on geological maps to investigate the relationship between the geometry of the auriferous portion of the diorite body and the distribution of gold mineralization; and
- define the continuation of (auriferous) shear zones to the north and south of the Big Bend diorite.

##### South Zone and Other Zones (including the Mashroom Zone)

- undertake further oriented core drilling to verify the extent and potential presence of shear zones at the South zone (drill orientations to SW and SE); and
- determine the shear zone kinematics and controls on gold distribution.

##### *Regional Structural Geology Interpretation of the Aeromagnetic Data from the VTEM Survey*

In December 2011, SRK Consulting (Canada) Inc. provided our company with a report of their structural geological interpretation of aeromagnetic data covering our Kibi Gold Belt mining concessions to assist in understanding the structural setting of gold mineralization in the area and to provide a practical structural framework for future exploration targeting. The defined area of interest is ~705 square kilometers in area and is located at the northern extremity of the Kibi Gold Belt. The area of interest was based on the extent of the VTEM Survey conducted by Geotech Airborne Limited. The SRK Consulting (Canada) Inc. report documents the methodology, results, conclusion and recommendations from the structural geological interpretation.

The scope of work included a desktop structural interpretation of the airborne geophysical data we acquired over the area of interest. Based on the available airborne geophysical data, SRK Consulting (Canada) Inc. constructed form lines outlining the internal geometry of stratigraphy within our area of interest. In general, form lines within our area of interest display a strong southwest-northeast trend, parallel to the tectonic grain in the known greenstone belts of Ghana. Variations from this trend occur in a north-west-southeast-trending belt along the lower portion of our area of interest.

#### SRK Consulting (Canada) Inc. Conclusions

- A fault network was interpreted and subdivided in terms of age. The fault network comprises dominant southwest- northeast- trending faults, subparallel to the dominant trend observed in the form lines that include early reactivated  $D_E$  extensional faults. These faults are interpreted to have developed (or reactivated) during the Eburnean Orogeny ( $D_2$ - $D_3$ ) and are believed to be closely linked to gold mineralization.

- Two types of intrusions (belt and basin type granitoids) were identified in our area of interest, both of which were emplaced before the culmination of the Eburnean Orogeny ( $D_5$ ) and therefore are overprinted by  $D_5$  deformation.
- A late ( $D_6$ ) fault set is represented by east-west-trending faults that are linked by minor northwest-southeast-trending faults. These are characterized by narrow, linear breaks in the magnetic data often with little to no visible offset in the magnetic stratigraphy. These late faults are interpreted to have resulted from northeast-southwest compression that may have occurred at the final stages of the Eburnean Orogeny or post-dated the Eburnean Orogeny.
- Several areas of structural complexity were identified within our area of interest, including left and right-hand steps along the major fault corridors, intersections between  $D_2$ - $D_5$  faults and intersections between  $D_2$ - $D_5$  and  $D_5$  faults, particularly in the vicinity of intrusions.

#### SRK Consulting (Canada) Inc. Recommendations

- Regional ground-truthing of the regional structural interpretation should be conducted. This should aim to not only identify whether a given fault is present, but also characterize each fault in terms of:
  - fault products (including the brittle/brittle-ductile/ductile nature of the fault);
  - orientation of associated foliations and lineations if present;
  - kinematics; and
  - alteration or gold mineralization present.
- A confidence rating should be compiled for each interpreted fault identified as part of this interpretation. This may include using existing geological mapping, satellite imagery, other geophysical datasets, or ground-truthing to produce a confidence rating based on the number of datasets, a given fault is identified in, or based on the resolution of datasets a given interpreted fault is based on.
- Regional ground-truthing of the regional lithological interpretation should be conducted. This should focus on the location of the boundary between the basin and belt assemblages, as well as better defining the internal variation within both these assemblages, including their known relationships with gold mineralization.
- Conduct a regional geochemical survey to verify the validity of identified target areas and conduct close-spaced soil geochemical sampling to guide exploration drilling in areas of positive results.

#### Note:

- 1 ppm = 1 gram per tonne (g/t) = 1,000 part per billion (ppb)
- All gold results for our exploration programs are reported in parts per million gold (Au).

#### *Our Prior Exploration Activities*

Please refer to our annual reports on Form 20-F and Form 10-K previously filed with the SEC for any exploration activities conducted by us before the three years required by this annual report.

#### *Kibi Project*

##### *Overview*

Our Kibi project is also referred to in this annual report as the Apapam concession and is comprised of a 33.65 square kilometer land position.

Our Kibi project land position also encompasses the following two land staking applications:

- the Akim Apapam concession is a reconnaissance license contiguous to the southwest extremity of our Kibi project covering an area of 7.0 square kilometers (700 hectares); and
- the Apapam concession extension is a ground extension along the northwest boundary of our Kibi project covering an area of 1.42 square kilometers (142 hectares).

The Akim Apapam concession application for a reconnaissance license was made to provide a buffer area. The Akim Apapam concession was covered by a first pass (200 meters x 25 meters) soil geochemistry survey in 2011; with 2012 exploration efforts including a single trench (157 meters) and 27 hand auger holes (147 meters) targeting a gold-in-soil anomaly. The Apapam concession extension application was made to cover certain trench and drill gold intercepts. The applications for the Akim Apapam concession reconnaissance license and the Apapam concession extension were submitted by our company to the Minerals Commission of Ghana on January 15, 2008 and November 19, 2009 who has recently submitted the applications and related documentation to the Minister of Lands, Forestry and Mines. As at the date of this annual report, final approval by the Minister of Lands, Forestry and Mines of these applications is still pending and there is no assurance that either of them will be granted.

The Apapam concession contains two small scale mining licenses, comprising approximately 0.1012 square kilometers (10.12 hectares) located within the northwest portion of the concession which were granted to third parties before our company's application for the Apapam concession. None of the in situ, lode gold mineralization occurrences, described in the October 31, 2012 independent technical report prepared by SEMS Exploration Services Ltd. are located within and/or proximal to these third party small scale mining licenses, and there is no current knowledge of any lode gold occurrences being present on these parcels. No information is available on past and/or current alluvial gold mining activity on these small scale mining licenses.

#### *Location and Access*

Our Kibi project lies within the Kibi-Winneba greenstone belt in the Eastern Region of Ghana and is located on the eastern flank of the Atewa Range along the headwaters of the Birim River in the immediate vicinity of the district capital of Kibi, approximately 75 kilometers NNW of the nation's capital city of Accra. Access to our Kibi project is by driving northwest from Accra on the paved Accra-Kumasi Trunk Road, the main national highway, for approximately 90 kilometers until the town of Kibi, marked by a road sign, is reached. One would make a left hand turn at the Kibi sign and drive southwest for approximately 5 kilometers to arrive at our Apapam concession. A tarred road emanating from the Accra-Kumasi Trunk Road, approximately 15 kilometers northeast of Kibi, dissects the north-central and south-eastern portions of our concession, while the tarred road servicing the town of Apapam provides access to the concession's south-western extremity. Our Kibi project is located approximately 15 kilometers south-southeast from our field camp.

The Kibi-Winneba greenstone belt is characterized by a narrow sequence of Birimian metavolcanics underlying most of the Atewa Range, which is covered by an extensive laterite/bauxite capping, and surrounded by a thick package of Birimian metasediments dominating the flanks and the lower lying areas. Our Kibi project covers the Birimian volcanic-sediment contact which we believe represents a highly favorable environment for the hosting of lode gold deposits throughout Ghana.

#### *Historic Work*

Before the exploration work conducted by our company, very little systematic exploration work for bedrock gold deposits has been conducted in the Kibi area since the 1930s.

#### *Prior Exploration by Xtra-Gold*

##### 2012 Diamond Drill Program

In connection with our 2012 drill program on our Kibi gold project, we have received the assay results noted hereunder.

#### Initial Results of 2012 Drill Program

Highlights of the drill results reported from the initial 2012 drilling include:

- 25 meters grading 1.96 g/t gold, including 2.79 g/t gold over 9 meters, in KBDD12189 from 195 meters down-hole (Big Bend zone); and
- 23 meters grading 1.50 g/t gold, including 2.80 g/t gold over 6 meters, in KBDD12187 from 331 meters down-hole (Big Bend zone).

The above drill results correspond to boreholes drilled in the latter part of 2011 and January 2012, designed to delineate/infill the Big Bend zone – Central granitoid and East Dyke – north zone; as well as to further test the southern portion of the East Dyke granitoid and a coincidental geophysical/geochemical anomaly lying to the south of the approximately 1,200 meter long by 500 to 800 meter wide Zone 2 gold-in-soil anomaly of our Kibi gold project. Holes reported above encompass KBDD11177 to KBDD12189 and KBDD12191, including: 6 holes (1,932 meters) on the Big Bend zone, 3 holes (537 meters) on the East Dyke - North zone, 2 holes (430 meters) on the southern extension of the East Dyke granitoid and 3 holes (435 meters) on the aforementioned induced polarization (IP) / gold-in-soil target. These 14 holes (3,334 meters) include 2 holes abandoned before reaching their targets due to technical difficulties, including: KBDD11182 (17.5 meters) which was re-drilled by KBDD11183; and KBDD11185 (83.5 meters) re-drilled by KBDD12186.

The present drilling includes 6 holes (1,932 meters) on the Big Bend zone, including: 4 holes designed to further delineate/infill the lower extension of the gold zone at vertical depths of approximately 190 meters to 315 meters, approximately 300 meters to 425 meters down plunge from surface; and 1 structural modeling hole designed to further establish the geometry/attitude of the mineralized en-echelon vein package system. Highlights from the down plunge delineation/infill drilling on the Big Bend zone include: 25 meters grading 1.96 g/t gold, including 2.79 g/t gold over 9 meters, from a down-hole depth of 195 meters in KBDD12189 and 23 meters grading 1.50 g/t gold, including 2.80 g/t gold over 6 meters, from a down-hole depth of 331 meters in KBDD12187.

Hole KBDD11183 consisting of a NE-trending (055°/-73°) borehole collared within the central portion of the Big Bend zone was intentionally drilled down dip between mineralized sheets to help further establish the apparent, steep (70°), northerly dipping, en-echelon vein package geometry of the mineralized system. As designed KBDD11183 appears to have descended down dip between the mineralized sheets; with the borehole appearing to intermittently skirt and/or obliquely pierce the footwall of the auriferous vein package to the north. KBDD11183 yielded multiple mineralized intercepts, ranging from 5 meters to 30 meters in core-length, extending from a down-hole depth of 28 meters to 224 meters, including: 1.84 g/t gold over 17 meters from a down-hole depth of 28 meters, 1.74 g/t gold over 26 meters, including 7 meters grading 4.01 g/t gold, from a down-hole depth of 128 meters and 2.01 g/t gold over 30 meters, including 9 meters grading 4.53 g/t gold, from a down-hole depth of 195 meters.

To date, significant gold mineralization has been traced over an approximately 325 meter strike length and an approximately 500 meter down plunge distance from surface along the Big Bend gold zone hosted by the Central granitoid body. Drilling to date indicates that the Big Bend zone consists of north-easterly plunging, en-echelon, mineralized vein packages appearing to be developed along a trough-like flexure within the Central granitoid body. Gold mineralization is associated with quartz-albite-carbonate-sulphide veining developed within a rock body of quartz diorite composition.

Highlights from the initial 10 holes (2,293 meters) reported in Table 1 from the Double 19 zone on Zone 3 of our Kibi gold project and ongoing exploration activities reported include:

- 12 meters grading 10.32 g/t gold in KBDD12198 from 18 meters down-hole on newly defined Double 19 zone (Zone 3 – East);
- 26 meters grading 3.06 g/t gold, including 5.67 g/t gold over 10 meters, in KBDD12205 from 33 meters down-hole (Double 19 zone);
- Drilling / trenching to date appears to indicate that the Double 19 zone consists of a ENE-plunging, en-echelon, mineralized vein system traced to date over an approximately 165 meter strike length and an approximately 150 meter down plunge distance from surface;
- Scout drilling on Zone 4 identifies prominent, pyritic/graphitic shear zone centred on quartz feldspar porphyry sill; mineralized shear traced over an approximately 300 meter strike length and a 160 meter down-dip extension to date by 5 boreholes (Orange No. 5 zone);
- Scout trenching and deep hand auger sampling scheduled to begin this week on newly defined 1,200 meter long by 150 to 250 meter wide Akwadum South and Akim Apapam gold-in-soil anomalies identified by the ongoing Phase II soil program.

A map depicting the location of the Double 19 zone in connection with the mineralization zones can be viewed on our company's website at [www.xtragold.com](http://www.xtragold.com).

#### Double 19 Zone (Zone 3 – East Gold-In-Soil Anomaly)

The above drill results on the Double 19 zone correspond to a February 2012, 10 hole (2,293 meters) drill campaign designed to follow-up on very encouraging trenching and 2009 scout reverse circulation (RC) drilling results. With the present holes including: KBDD12192, KBDD12194, KBDD12198, KBDD12200 – KBDD12201, KBDD12203 – KBDD12206 and KBDD12208. The Double 19 zone lies at the south-eastern extremity of the approximately 1,250 meter long Zone 3 gold-in-soil trend, approximately 600 meters southwest of the South Ridge zone on the Zone 2 gold-in-soil anomaly. See the map depicting the location of the Double 19 zone in connection with the mineralization zones which is available for viewing on our company's website. The drilling was designed to further define the mineralization along strike and at depth, gain additional insight on the mineralization's structural setting, and further delineate the geometry of the host diorite body.

The above drilling tested the mineralized veining system over an approximately 100 meter strike distance and an approximately 80 meter down plunge extension from surface. Drilling highlights include: a near surface, saprolite (oxide) intercept of 16.5 meters grading 4.35 g/t gold from a down-hole depth of 4.5 meters in hole KBDD12208 designed to undercut the trench TKB022-ADRS003 mineralized intercept at the WNW extremity of the zone; a saprolite (oxide) intercept of 12 meters grading 10.32 g/t gold from a down-hole depth of 18 meters in KBDD12198 within the central portion of the zone; and intercepts of 19 meters grading 3.26 g/t gold and 26 meters grading 3.06 g/t gold from down-hole depths of 36 meters and 33 meters in holes KBDD12203 and KBDD12205 at the ENE extremity of the zone (drill fence with 30 meter collar separation). All holes, with the exception of KBDD12204 (NW-trending), consist of SE-trending boreholes with -50° to -70° inclinations. Gold mineralization is associated with quartz-albite-carbonate-sulphide veining developed within a rock body of quartz diorite composition.

Current ongoing drilling has traced the mineralization an additional 50 meters to the ENE of the KBDD12201-KBDD12203-KBDD12205 section in holes KBDD12231, KBDD12233, and KBDD12234; with these holes still in the process of being logged and sampled. Drilling / trenching to date appears to indicate that the Double 19 zone consists of a ENE-plunging, en-echelon, mineralized vein system traced to date over an approximately 165 meter strike length and an approximately 150 meter down plunge distance from surface.

#### Orange No. 5 Shear Zone (Zone 4 Gold-In-Soil Anomaly)

Recent scout drilling efforts to test high priority geophysical, soil geochemical, and geological targets along the 3.5 kilometer long Zone 4 gold trend located within the southwestern portion of the Apapam mining lease identified a prominent sulphide-bearing shear zone centered on a strongly iron-carbonate altered quartz feldspar porphyry sill emplaced along and/or proximate to the contact between intercalated greywacke/siltstone and graphitic phyllite rock sequences.

The NE-trending, pyritic/graphitic, Orange No. 5 shear zone has thus far been traced over an approximately 300 meter strike length and an approximately 160 meter down-dip extension from surface (approximately 125 meters vertical) by 5 boreholes. The mineralized structure exhibits a high chargeability / high conductivity induced polarization signature and is spatially associated with a prominent Versatile Time Domain Electromagnetic (VTEM) resistivity/conductivity break. The spatial relationship of the Orange No. 5 shear zone with a quartz feldspar porphyry sill body constitutes a classical orogenic lode gold setting and demonstrates the multi-style mineralization potential of our Kibi gold project. Assay results for the 5 holes are pending from the laboratory.

#### Akwadum South / Akim Apapam Gold-In-Soil Anomaly Proofing

To date, the ongoing 2011 – 2012 Phase II Apapam soil sampling program has produced 2 prominent, tight/linear, gold-in-soil anomalies persistently traceable over lengths of 1,200 meters and extending over widths of 150 meters to 250 meters, including: the Akwadum South anomaly located at the southeast extremity of the Apapam mining lease, and the Akim Apapam anomaly located within the central portion of the namesake reconnaissance license.

These gold-in-soil anomalies exhibit spatial relationships with areas of structural complexity identified by an aeromagnetic (+/- VTEM, Radiometric) - based regional structure study conducted by SRK Consulting (Canada) Inc. in 2011 on behalf of Xtra-Gold; particularly with intersections between major D<sub>2</sub>-D<sub>5</sub> fault corridors and major, late, E-W trending D<sub>6</sub> faults. A scout trenching and deep hand auger (5 meters) sampling program designed to test the subsurface geochemical signature and geological setting of the Akwadum South and Akim Apapam gold-in-soil anomalies is scheduled for initiation on or around April 27, 2012.

A mineralization map is available on our company's website at [www.xtragold.com](http://www.xtragold.com).

#### Double 19 Gold Shoot on Zone 3

Recent diamond drilling indicates good down-plunge continuity of gold grades on the Double 19 Shoot on Zone 3 of our Kibi gold project. The assay results for a three hole (KBDD12231, KBDD12233 and KBDD12234) drill section totaling 489 meters successfully expanded the high grade Double 19 gold shoot to a down-plunge distance of approximately 150 meters from surface.

Highlights of the drill results and ongoing exploration activities reported include:

- 50.5 meters grading 2.03 g/t gold, including 4.71 g/t gold over 14 meters, in KBDD12231 from 57.5 meters down-hole (Double 19 Shoot);
- 28 meters grading 3.14 g/t gold, including 5.01 g/t gold over 12 meters, in KBDD12233 from 39 meters down-hole (Double 19 Shoot);
- drilling / trenching to date appears to indicate that the high grade Double 19 gold shoot consists of a moderately, ENE- plunging vein system centred on an apparent fold nose developed within the host diorite body; with the gold shoot having an asymmetrical convex geometry possibly reflecting a fold-hinge stockwork vein zone; and
- 2 new, typical Kibi-type, diorite – hosted, quartz stockwork systems discovered proximal to Double 19 gold shoot within Zone 3 – East gold-in-soil anomaly.

The Double 19 gold shoot lies at the south-eastern extremity of the approximately 1,250 meters long Zone 3 gold-in-soil trend, approximately 600 meters southwest of the South Ridge zone on the Zone 2 gold-in-soil anomaly. A map depicting the location of the Double 19 shoot in relation to the Zone 2 mineralization zones has been posted on our company's website.

The present drilling located approximately 50 meters northeast of the KBDD12201-203-205 section was designed to further test the down-plunge extension of the mineralization and gain additional insight on the geometry and structural controls of the gold shoot. The KBDD12201-203-205 section yielded mineralized intercepts of 19 meters grading 3.26 g/t gold and 26 meters grading 3.06 g/t gold, including 5.67 g/t gold over 10 meters in holes KBDD12203 and KBDD12205 (see Table 1).

The 3 hole, scissor-pattern, drill section encompasses a SE-trending borehole (KBDD12231) and a pair of NW-trending, vertical fan boreholes (KBDD12233 to KBDD12234) collared approximately 80 meters to the southeast, and at a 30 meter lower elevation, than the KBDD12231 collar position. Hole KBDD12231 (-55°) returned a mineralized intercept of 50.5 meters grading 2.03 g/t gold, including 4.71 g/t gold over 14 meters, from a down-hole depth of 57.5 meters. The upper KBDD12233 borehole (-60°) of the KBDD12233-234 vertical fan pattern returned an intercept of 28 meters grading 3.14 g/t gold, including 5.01 g/t gold over 12 meters, from a down-hole depth of 39 meters, and the steeper KBDD12234 hole (-75°) yielded an intercept of 26.8 meters grading 2.69 g/t gold, including 4.73 g/t gold over 11 meters, from a down-hole depth of 35.5 meters, with both these intercepts cross-cutting the lower portion of the KBDD12231 mineralized intercept. Borehole KBDD12233 returned a second, deeper intercept of 10 meters grading 1.47 g/t gold from a down-hole depth of 138 meters but insufficient drilling information is available at this time to determine if this mineralization forms part of the Double 19 shoot or reflects a new deeper gold zone.

Drilling / trenching to date appears to indicate that the Double 19 shoot consists of a moderately, ENE-plunging vein system centred on an apparent fold nose developed within the host diorite body; with the gold shoot having an asymmetrical convex geometry possibly reflecting a fold-hinge stockwork vein zone. These drilling results extend the Double 19 shoot to a down-plunge distance of approximately 150 meters from surface; with the relatively shallow vertical depths of the mineralized intercepts reflecting the position of the zone along a steep slope exhibiting approximately 80 meters in topographical relief.

#### Kibi Old Mine Prospect

In early 2012 four holes (491 meters) were drilled to better characterize the gold grade and structural setting of the Kibi Old Mine prospect located at the north-central extremity of the Apapam mining lease. The Kibi Old Mine structure was the focus of exploration and underground development work in the mid 1920's and late 1930's; including a main shaft sunk to a depth of 172 feet (~ 52.5 meters) with levels driven at depths of 65 feet and 150 feet (~ 20 meters and ~45.5 meters). Mineralization is hosted by an east-northeast striking, moderate southerly dipping, quartz-rich, composite structure emplaced within Birimian metasedimentary rock; spatially associated with a geophysically-interpreted dilational jog developed along a regional NE-trending structure.

Hole KBDD12199 consisting of a vertical hole intersected the Main Reef structure between the 65 foot and 150 foot levels at a depth of 26 meters; with a network of structure-parallel and shallow dipping extensional veins developed along the hanging wall flank of the main structure. The main fault vein returned 4.92 g/t gold over a 1.2 meter core length (26 meters – 27.2 meters); and the subsidiary vein system yielded a 15.5 meter intercept grading 0.71 g/t gold (10.5 meters – 26 meters). Holes KBDD12190, KBDD12193, and KBDD12195 targeted the down dip extension of the structure below the 150 foot level at vertical depths of approximately 60 meters to 145 meters; with the boreholes yielding mineralized intercepts grading 1.23 g/t gold over 6.3 meters, 0.94 g/t gold over 4.1 meters, and 0.62 g/t gold over 9 meters, respectively (see Table 1).

#### Orange No. 5 Shear Zone (Zone 4 Gold-In-Soil Anomaly)

Scout drilling efforts from March to May 2012 designed to test high priority geophysical and soil geochemical targets along the 3.5 kilometer long Zone 4 gold trend located within the south-western portion of the Apapam mining lease identified a prominent northeast trending shear zone centred on a strongly iron-carbonate altered QFP emplaced along and/or proximate to the contact between intercalated greywacke/siltstone and graphitic phyllite rock sequences.

The moderately southeast dipping, pyritic/graphitic, Orange No. 5 shear zone has been traced to date over an approximately 300 meter strike length and approximately 175 meter down-dip distance from surface by 7 boreholes (1,482 meters). A 3 hole NW-trending drill fence intersected the structural corridor over an approximately 100 meter down dip distance; with holes KBDD12219, KBDD12220, and KBDD12251 returning 6 meters grading 0.73 g/t gold from a down-hole depth of 85 meters, 19 meters grading 1.78 g/t gold from a down-hole depth of 134 meters, including 4.11 g/t gold over 6 meters, and 0.7 meters grading 41.40 g/t gold from a down-hole depth of 154.3 meters. The shear zone also yielded a significant mineralized intercept grading 2.24 g/t gold over 8.5 meters, including 5.76 g/t gold over 3 meters, from a down-hole depth of 99 meters in KBDD12252 located approximately 40 meters to the southwest of the aforementioned drill fence (see Table 1).

The mineralized structure exhibits a high chargeability / high conductivity induced polarization (IP) signature and is spatially associated with a prominent Versatile Time Domain Electromagnetic (VTEM) resistivity/conductivity break. The spatial relationship of the Orange No. 5 shear zone with a QFP body constitutes a classical orogenic lode gold setting and demonstrates the multi-style mineralization potential of the Kibi gold project.

**South Ridge Zone (Zone 2 Gold-In-Soil Anomaly)**

The South Ridge zone located at the north-western extremity of the approximately 1,200 meters long by 500 meters to 800 meters wide Zone 2 gold-in-soil anomaly was targeted by 801 meters of follow-up drilling to further define the structural controls of the mineralization and the contacts of the host granitoid body. Previous 2010 and 2011 drilling and trenching traced an extensive system of en-echelon extension vein arrays over approximately 440 meter strike and 400 down-dip distances along the SE-trending, moderately NE-dipping South Ridge granitoid body. The March to May 2012 drilling consisted of 6 vertical holes arranged in 2 staggered (50 meters apart), southeast trending arrays of 3 holes at 50 meter centres, designed to better target the combination of the moderate easterly dipping shearing and the shallow, westerly dipping extensional vein systems.

Five (5) out of the 6 holes returned significant, near surface mineralized intercepts, including: 36 meters grading 2.85 g/t gold, including 7.06 g/t gold over 7.7 meters, from a down-hole depth of 42.5 meters in KBDD12253; 20.5 meters grading 1.04 g/t gold from a down-hole depth of 13.5 meters in KBDD12210; and 4.46 g/t gold over 3.2 meters from a down-hole depth of 68.5 meters in KBDD12254. Gold mineralization is associated with quartz-albite-carbonate-sulphide veining developed within a rock body of quartz diorite to tonalite composition. The higher grade KBDD12253 intercept exhibits close spatial relationships with 2 mineralized intercepts from the 2010 drill program, including: 25 meters grading 0.73 g/t gold from a northeast trending, southeast dipping shear zone in KBDD10096 and 72 meters grading 0.93 g/t gold from an extensional vein system in KBDD10090 (see Table 1). Further trenching and drilling is required to further define the geometry and structural controls of this large footprint, near surface auriferous vein system.

**Table 1  
Significant Drill Intercepts – Kibi Gold Project  
Zone 1, 2, 3, 4 and Kibi Old Mine  
(as at December 31, 2012)**

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
<b>Notes:</b>						
* Gold values cut to 50 grams per tonne (g/t).						
“Significant Intercepts” satisfy following criteria: greater than (>) 5.0 grams gold x meter product and >0.5 g/t gold.						
“Anomalous” signifies at least one intercept >2.0 grams gold x meter product and >0.25 g/t gold.						
<b>Phase III Diamond Drilling Program – Zone 2</b>						
KBDD10069	46	73	27	3.45 *	Big Bend	
including	61	62	1	45.50		uncut
KBDD10070	40.47	67.60	27.13	2.12	Big Bend	
including	52.40	59.33	6.93	4.01		
KBDD10071	22.5	29	6.5	3.99	Big Bend	
KBDD10072	no significant results				Central granitoid	

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
KBDD10073	no significant results				Central granitoid	
KBDD10074	23	35.5	12.5	1.70	Big Bend	
including	24	26	2	5.64		
KBDD10081	30	39	9	3.60	Mushroom	
<b>KBDD10085</b>	3	22.5	19.5	1.52	South Ridge	
including	9	16.5	7.5	2.83		
and	52	59	7	6.18		
including	54	55	1	29.50		
and	106	107	1	6.08		
and	146	177	31	1.37		
including	146	163	17	2.13		
and	186	195	9	0.57		
and	232	244	12	0.75		
<b>Note:</b> * Gold values cut to 30 grams per tonne (g/t).						
<b>KBDD10086</b>	3	28.5	25.5	1.50	South Ridge	
including	3	22.5	19.5	1.91		
and	58.5	72	13.5	1.12		
and	91	121	30	0.93		
including	92	103	11	1.50		
and	148	158	10	0.88		
and	168	176	8	1.27		
and	186	233	47	0.58		
and including	215	226	11	0.92		
<b>KBDD10090</b>	0	23	23	1.74	South Ridge	
including	0	15	15	2.50		
and	49	69	20	0.95		
including	59	69	10	1.41		
and	77	82	5	1.78		
and	111	183	72	0.93		
including	111	120.5	9.5	1.57		
including	133	140	7	1.80		
including	174	183	9	1.64		
and	220	250	30	0.73		
including	229	244.5	15.5	1.00		
<b>KBDD10091</b>	10.5	122	17	2.42	South Ridge	
including	114	121	7	4.96		
and including	118	119	1	16.55		
KBDD10095	29	31	2	3.97	South Ridge	
KBDD10096	60	64	4	4.84	South Ridge	
and	90	115	25	0.73		
<b>KBDD10099</b>	141	161	20	2.43	Big Bend	
including	145	156	11	3.52		
and	176	183	7	2.53		
including	179	191	2	5.21		

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
<b>KBDD10101</b>	112	170	58	2.46 *		
including	112	130	18	2.18		
including	142	170	28	3.67		
(and including)	143	166	23	4.40		
(and including)	144	159	15	5.42		
(and including)	144	150	6	10.39		
(and including)	144	145	1	29.70		
<b>Note:</b>						
* Intercept encompasses 11.0 meters essentially barren interval (0.03 g/t Au) appearing to reflect a post mineralization dyke (130 meters to 141 meters).						
<b>KBDD10103</b>	131	158	27	1.98	Big Bend	
including	137	158	21	2.51		
(and including)	137	152	15	3.23		
and	180	205	25	1.87		
including	180	199	19	2.11		
<b>Note:</b>						
Intercepts constrained with a 0.25 g/t gold minimum cut-off grade at top and bottom of intercept, with arbitrarily set 30 g/t gold upper cut-off grade applied, and maximum of five consecutive meters of internal dilution (less than 0.25 g/t gold). All internal intervals above 15 g/t gold indicated.						
<b>Phase III Diamond Drilling Program – Zone 2 – East Dyke granitoid</b>						
KBDD11105	105	120	15	2.05	East Dyke – North zone	
including	107	112	5	4.00		
KBDD11106	141	155	14	2.36	East Dyke – North zone	
including	144	149	5	5.18		
and	162	164	2	15.53	East Dyke – North zone	
including	163	164	1	25.20		
<b>Phase III Diamond Drilling Program – Big Bend gold zone</b>						
KBDD11107	60	63	3	8.44	Big Bend – Central granitoid	
including	62	63	1	15.20		
and	127	154	27	0.89		
including	128	129	1	5.06		
KBDD11108	87	91	4	2.12	Big Bend – Central granitoid	
and	116	121	5	2.36		
including	119	121	2	5.36		
and	189	231	42	2.39		
including	196	210	14	3.11		
including	221	230	9	3.19		
KBDD11109	15	16.5	1.5	13.10	Big Bend – Central granitoid	
and	91	93	2	5.75		
KBDD11110	158	208	50	1.64	Big Bend – Central granitoid	
including	175	199	24	2.45		
and including	198	199	1	17.75		

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
KBDD11111	94	116	22	1.25	Big Bend – Central granitoid	
including	99	105	6	2.70		
and	133	151	18	2.09		
including	139	146	7	4.18		
and	202	203	1	7.35		
KBDD11112	130	177	47	0.71	Big Bend – Central granitoid	
including	148	168	20	1.17		
and including	148	154	6	2.71		
and	202	220	18	1.31		
including	202	206	4	3.04		
and	228	245	17	2.00		
including	228	235	7	3.89		
KBDD11113	84	136	52	2.42	Big Bend – Central granitoid	
including	89	116	27	3.58		
and including	93	105	12	6.09		
and including	100	101	1	20.40		
KBDD11114	3	53	50	1.31	Big Bend – Central granitoid	
including	21	41	20	2.21		
and including	32	40	8	3.41		
<b>Big Bend gold zone (Central granitoid) / Mushroom gold zone (Upper Central granitoid)</b>						
KBDD11115	156	163	7	4.09	Big Bend – Central granitoid	
including	156	157	1	18.35		
and	172	196	24	1.31		
including	186	195	9	2.37		
KBDD11116	abandoned and re-drilled by KBDD11117				Mushroom	
KBDD11117	<b>67</b>	<b>83</b>	<b>16</b>	<b>4.88</b>	Mushroom – Upper central granitoid	
including	68	78	10	7.38	(newly defined zone)	
and including	69	70	1	45.70		
KBDD11118	84	95	11	2.57	Mushroom – Upper central granitoid	
including	90	95	5	4.23		
and	146	147	1	10.55		
KBDD11119	60	61.5	1.5	9.30	Mushroom – Upper central granitoid	
KBDD11121	no significant results				IP chargeability/Gold-in-soil anomaly	
KBDD11122	78	81	3	3.14	Central granitoid/Junction shear	
including	79	80	1	7.59		
and	92	93	1	5.15		
KBDD11123	173	174	1	32.50	Central granitoid/Junction shear	
KBDD11124	no significant results				Central granitoid/SE deformation zone	
KBDD11125	27	34	7	0.93	Central granitoid/SE deformation zone	
including	33	34	1	4.15		
KBDD11126	98	99	1	5.92	Central granitoid/SE deformation zone	
KBDD11127	137	140	3	2.21	East Dyke/SE deformation zone	
KBDD11128	160	166	6	2.36	East Dyke/Big Bend - Central granitoid	
including	160	161	1	10.10		
and	181	184	3	2.43		

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
<b>Big Bend gold zone (Central granitoid) / East Dyke gold zone</b>						
KBDD11129	261	263	2	3.46	East Dyke/Big Bend	
KBDD11130	212	229	17	0.98	Big Bend – Central granitoid	
including	221	223	2	3.12		
KBDD11131	211	237	26	1.75	Big Bend – Central granitoid	
including	214	226	12	2.56		
and	221	226	5	4.48		
KBDD11132	237	243	6	1.72	Big Bend – Central granitoid	
and	264	267	3	3.21		
and	280	300	20	0.81		
including	287	292	5	2.30		
KBDD11133	<b>152</b>	<b>168</b>	<b>16</b>	<b>2.25</b>	Big Bend – Central granitoid	
including	154	161	7	3.67		
and	182	220	38	2.67		
including	194	205	11	3.88		
and	398	399	1	34.80	new shear zone	
<b>Note:</b> Gold intercepts for KBDD11134 drilled down the plunge of Big Bend en-echelon vein package system						
KBDD11134	6	32	26	1.51	Big Bend – Central granitoid	
including	6	15	9	2.45		
and	67	74	7	1.49		
and	<b>96</b>	<b>137</b>	<b>41</b>	<b>3.03</b>		
including	96	106	10	3.81		
including	110	124	14	3.46		
including	133	136	3	10.71		
and including	134	135	1	15.90		
and	147	152	5	1.46		
and	173	215	42	1.01		
and including	201	211	10	1.92		
and	<b>223</b>	<b>265</b>	<b>42</b>	<b>2.04</b>		
including	226	235	9	2.79		
including	249	261	12	3.31		
and	284	287	3	8.70		
including	285	286	1	20.10		
and	312	385	73	1.06		
including	323	342	19	1.80		
and	394	404	10	0.75		
and	432	459	27	1.01		
including	435	442	7	1.97		
<b>Note:</b> Length Weighted Average Grade of all Intercepts (over 276 meters cumulative core length)				1.62		
and	3	467	464	1.01	*	
<b>Note:</b> * Length weighted average grade for entire hole including internal dilution, i.e. no internal waste criteria applied.						

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
<b>Big Bend gold zone (Central granitoid) / Mushroom gold zone (Upper Central granitoid)</b>						
KBDD11135	155	187	32	1.07	Big Bend – Central granitoid	
including	171	181	10	1.97		
and	207	213	6	2.32		
KBDD11136	134	141	7	0.78	Big Bend – Central granitoid	
and	<b>149</b>	<b>181</b>	<b>32</b>	<b>2.41</b>		
including	163	180	17	4.01		
KBDD11137	154	170	16	1.22	Big Bend – Central granitoid	
including	154	161	7	2.44		
and	180	195	15	1.84		
including	187	194	7	2.73		
KBDD11138	170.5	172	1.5	5.18	Big Bend – Central granitoid	
and	201	214	13	2.21		
including	207	213	6	3.43		
and	222	223	1	25.00		
and	230	253	23	1.12		
including	242	247	5	2.80		
and	264	265.5	1.5	14.50		
KBDD11139	228	236	8	2.83	Big Bend – Central granitoid	
and	292.5	305	12.5	1.98		
<b>Note:</b>						
Intercepts constrained with a 0.25 g/t gold minimum cut-off grade at top and bottom of intercept, with arbitrarily set 30 g/t gold upper cut-off grade applied, and maximum of five consecutive meters of internal dilution (less than 0.25 g/t gold). All internal intervals above 15 g/t gold indicated.						
<b>Big Bend gold zone (Central granitoid) / East Dyke gold zone</b>						
KBDD11140	162	169	7	1.46	Big Bend – Central granitoid	
and	192	207	15	1.39		
including	192	199	7	2.48		
<b>KBDD11141</b>	<b>232</b>	<b>294</b>	<b>62</b>	<b>1.57</b>	Big Bend – Central granitoid	
<b>including</b>	<b>241</b>	<b>283</b>	<b>42</b>	<b>2.00</b>		
<b>and including</b>	<b>251</b>	<b>270</b>	<b>19</b>	<b>2.76</b>		
KBDD11142	200	226	26	1.41	East Dyke/Big Bend - Central granitoid	
including	218	226	8	2.37		
and	350	356	6	1.98		
and	387	407.1	20.1	1.71		
and	415	418	3	2.14		
and	446	468	22	1.43		
including	457	462	5	3.19		
<b>KBDD11143</b>	<b>249</b>	<b>290</b>	<b>41</b>	<b>1.62</b>	Easy Dyke	
<b>including</b>	<b>258</b>	<b>278</b>	<b>20</b>	<b>2.18</b>		
KBDD11144	34	64	30	0.79	Road Cut zone (new zone)	
including	45	64	19	1.05		
KBDD11146	3	13.5	10.5	2.14	Big Bend – Central granitoid	
and	73	74	1	8.23		
KBDD11148	452	467	15	1.40	South Ridge	
including	452	459	7	2.53		

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
<b>Mushroom gold zone / Big Bend gold zone / East Dyke gold zone</b>						
KBDD11151	110	125	15	2.45	Mushroom – Upper Central granitoid	
<b>Note:</b> KBDD11153, KBDD11154 and KBDD11161 drilled down the plunge of Mushroom and Big Bend gold zones en-echelon vein package system						
KBDD11153	3	86	83	1.35	Mushroom – Upper Central granitoid	
including	3	18	15	4.13	Mushroom – Upper Central granitoid	
<b>Note:</b> KBDD11153 abandoned at 128 meters due to technical difficulties						
KBDD11154	3	84	81	1.52		extended to 344 meters
including	3	16.5	13.5	2.94		
including	37	56	19	2.56		
including	68	78	10	2.21		
and	169	176	7	2.20		
and	190	191	1	6.23		
<b>Note:</b> KBDD11154 (344 meters) re-drilling of KBDD11153 with holes having same trace over upper 128 meters						
KBDD11157	92	112	20	2.82	Mushroom – Upper Central granitoid	
KBDD11158	108	122	14	1.07	Mushroom – Upper Central granitoid	
KBDD11160	13.5	28	14.5	1.70	Big Bend – Central granitoid	
and	45	61	16	1.51		
KBDD11161	3	31	28	1.50	Big Bend – Central granitoid	
and	77	95	18	0.84		
and	116	136	20	1.22		
and	144	150	6	2.40		
and	159	204	45	2.00		
including	176	177	1	17.00		
and	214	224	10	2.07		
and	231	266	35	1.57		
and	283	308	25	1.40		
and	526	537	11	1.23		
including	527	529	2	2.79	Central granitoid – New Zone	
<b>Note:</b> KBDD11161 abandoned in mineralization at 537 meters due to technical problems						
Length Weighted Average Grade of all Big Bend zone				1.60		
Intercepts in KBDD11161 (over 185 meters cumulative core length from 3 meters to 308 meters)						
	3	308	305	1.03 *		
* Length weighted average grade for KBDD11161 (3 meters to 308 meters) including internal dilution (no internal waste criteria applied)						
KBDD11163	79	96	17	1.50	South Ridge	
including	80	84	4	3.71		
KBDD11164	36	39	3	3.13	South Ridge	
and	109	112	3	2.34		
and	177	178	1	40.80		
KBDD11167	40	44	4	4.40	East Dyke	
KBDD11168	28.5	30	1.5	7.11	East Dyke	
and	42	43	1	3.40		
and	92.5	98	5.5	1.27		

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
KBDD11170	243	251	8	1.10	Big Bend – Central granitoid	
including	248	250	2	3.43	Big Bend – Central granitoid	
and	269	272	3	1.37		
and	342	350	8	0.69		
KBDD11171	150	166	16	2.38	Big Bend – Central granitoid	
including	158	159	1	18.53		
and	183	184	1	7.05		
KBDD11172	<b>127</b>	<b>144</b>	<b>17</b>	<b>5.47</b>	Big Bend – Central granitoid	
including	129	133	4	12.66		
and including	129	130	1	19.11		
and including	132	133	1	21.43		
KBDD11174	3	18	15	0.79	Road Cut zone	
and	60	64	4	2.14		
KBDD11175	359	366	7	0.88	East Dyke	
and	385	395	10	1.14		
KBDD11176	<b>165.5</b>	<b>190</b>	<b>24.5</b>	<b>3.43</b>	East Dyke	
including	<b>167</b>	<b>184</b>	<b>17</b>	<b>4.70</b>		
and including	170	171	1	23.50		
<b>Zone 2: Big Bend gold zone / East Dyke gold zone</b>						
KBDD11178	146	147	1	11.40	East Dyke – North	
KBDD11179	92	107	15	0.95	East Dyke – North	
including	104	106	2	2.11		
and	124	125	1	10.20		
KBDD11180	77	86	9	1.02	East Dyke – South	
including	80	82	2	2.96		
and	145	149	4	2.21		
KBDD11183	28	45	17	1.84	Big Bend	
including	28	31	3	8.49		
and	71	76	5	1.52		
and	128	154	26	1.74		
including	142	149	7	4.01		
and	195	225	30	2.01		
including	215	224	9	4.53		
and including	222	223	1	29.40		
<b>Note:</b> KBDD11183 intentionally drilled down dip between en-echelon vein packages to further establish geometry/attitude of mineralized sheets; with the borehole appearing to intermittently skirt and/or obliquely pierce the footwall of the vein package to the north.						
KBDD11184	323	358	35	0.80	Big Bend	
including	351	358	7	1.81		
and	373	386	13	0.44		
KBDD11185	68.6	73.1	4.5	1.41	Gold-in-soil / IP anomaly	
KBDD12186	182	193	11	1.46	Gold-in-soil / IP anomaly	
including	182	184	2	3.36		
KBDD12187	331	354	23	1.50	Big Bend	
including	332	338	6	2.80		
and	360	373	13	0.54		

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
KBDD12188	31.6	43.6	12	0.95	Gold-in-soil / IP anomaly	
including	31.6	36.1	4.5	1.52		
KBDD12189	195	220	25	1.96	Big Bend	
including	203	220	17	2.36		
and including	211	220	9	2.79		
KBDD12191	322	327	5	1.75	Big Bend	
<b>Double 19 Zone (Zone 3 – East)</b>						
KBDD12192	56	63	7	2.00		
and	110	111	1	23.45		
KBDD12194	no significant results					
KBDD12198	18	30	12	10.32	saprolite (oxide)	
including	24	24.5	1.5	16.93		
KBDD12200	19.5	24	4.5	1.82	transition zone	
KBDD12201	86	90	4	5.85		
including	88.3	89	0.7	20.50		
and	112	113	1	5.11		
KBDD12203	36	55	19	3.26		
including	46	55	9	4.16		
and	73	74	1	5.39		
KBDD12204	no significant results					
KBDD12205	33	59	26	3.06	transition zone – fresh	
including	41	51	10	5.67		
KBDD12206	no significant results					
KBDD12208	4.5	21	16.5	4.35	saprolite (oxide)	
including	15	19.5	4.5	7.11		
<b>Double 19 Gold Shoot (Zone 3 – East)</b>						
KBDD12231	57.5	108	50.5	2.03	fresh rock (sulphide)	
including	69	96	27	3.15		
and including	73	87	14	4.71		
KBDD12233	39	67	28	3.14	fresh rock (sulphide)	
including	54	66	12	5.01		
and	138	148	10	1.47		
including	139	142	3	3.05		
KBDD12234	35.5	62.3	26.8	2.69	fresh rock (sulphide)	
including	38	49	11	4.73		
KBDD12190	70.7	77	6.3	1.23	Kibi Old Mine	
KBDD12193	72.9	77	4.1	0.94	Kibi Old Mine	
KBDD12195	93	102	9	0.62	Kibi Old Mine	
KBDD12199	10.5	26	15.5	0.71	Kibi Old Mine	
and	26	27.2	1.2	4.92		
KBDD12209	30	42	12	1.33	South Ridge – Zone 2	
KBDD12210	13.5	34	20.5	1.04	South Ridge – Zone 2	
KBDD12211	12	22	10	0.86	South Ridge – Zone 2	

Hole ID	From (meters)	To (meters)	Core Length (meters)	Gold Grams Per Tonne	(Gold) Zone/Target	Comments
KBDD12213	82.5	84	1.5	7.17	Orange No. 5 – Zone 4	
and	112	138	26	0.40		
including	112	113	1	1.66		
and	162	163	1	1.92		
KBDD12214	83	98	15	2.63	Zone 1	
including	94	98	4	8.91		
and including	95	96	1	32.30		
KBDD12218	79.5	81	1.5	3.11	Orange No. 5 – Zone 4	
KBDD12219	85	91	6	0.73	Orange No. 5 – Zone 4	
including	85	86	1	1.90		
KBDD12220	134	153	19	1.78	Orange No. 5 – Zone 4	
including	140	146	6	4.11		
and including	145	146	1	22.10		
KBDD12224	6	25.5	19.5	0.63	Zone 3 West	
including	10.5	12	1.5	2.37		
KBDD12227	45	46.5	1.5	2.50	Zone 3 West	
KBDD12228	18	28	10	1.19	Zone 3 West	
KBDD12232	70	78	8	1.32	Double 19 – Zone 3 East	
KBDD12237	<b>40</b>	<b>85</b>	<b>45</b>	<b>2.20</b>	Double 19 – Zone 3 East	
including	42	49	7	7.80		
and including	44.5	45.2	0.7	27.99		
and including	45.2	46	0.8	15.40		
KBDD12241	76	89	13	1.40	Double 19 – Zone 3 East	
KBDD12243	116	123	7	0.81	Double 19 – Zone 3 East	
and	130	141	11	1.04		
KBDD12246	126	127.5	1.5	3.57	Zone 3 East	
KBDD12250	105	114	9	1.00	Double 19 – Zone 3 East	
KBDD12251	154.3	155	0.7	41.40	Orange No. 5 – Zone 4	
KBDD12252	99	107.5	8.5	2.24	Orange No. 5 – Zone 4	
including	102	105	3	5.76		
and including	102	103	1	14.85		
KBDD12253	<b>42.5</b>	<b>78.5</b>	<b>36</b>	<b>2.85</b>	South Ridge – Zone 2	
including	43.3	51	7.7	7.06		
and including	47.7	48.2	0.5	33.25		
and including	50.5	51	0.5	17.33		
KBDD12254	68.5	71.7	3.2	4.46	South Ridge – Zone 2	

**Notes:**

Reported intercepts are core - lengths; true width of mineralization is unknown at this time.

Unless otherwise indicated intercepts constrained with a 0.25 g/t gold minimum cut-off grade at top and bottom of intercept, with no upper cut-off applied, and maximum of five consecutive meters of internal dilution (less than 0.25 g/t gold). All internal intervals above 15 g/t gold indicated.

Zone 5

In November 2012, we reported gold results from initial trenching and surface channel sampling on a newly discovered high-grade shear zone lying within the recently defined Zone 5 gold-in-soil anomaly on our Kibi project. Highlights of the trenching and bedrock channel sampling results reported at that time include:

- 20.5 meters grading 7.26 g/t gold, including 12.26 g/t over 6.5 meters, in trench TCK001; and 6.7 meters grading 32.32 g/t gold, including 82.22 g/t over 2 meters, in trench TCK002 (High-Grade Gold Shoot);
- saw-cut channel sample composites grading 33.21 g/t gold over 2.4 meters in channel sample string KBSC023, 15.13 g/t gold over 4.3 meters in sample string KBSC024, 8.68 g/t gold over 4.9 meters in sample string KBSC025 and 6.74 g/t gold over 9 meters in string KBSC027 and rock chip channel sample composites grading 8.9 g/t gold over 4 meters in string KBLC010, 7.69 g/t gold over 4 meters in string KBLC012, 16.14 g/t gold over 3 meters in string KBLC014, and 40.6 g/t gold over 2.3 meters in string KBLC016 (High-Grade Gold Shoot);
- gold-bearing shear zone traced to date over an approximately 300 meter strike length, with present sampling defining a high-grade gold shoot over a minimum 70 meter strike distance. Auriferous shear zone spatially associated with the approximately 1.8 kilometer long, NE-trending Zone 5 gold-in-soil anomaly.

The high-grade shear zone was discovered during follow up prospecting of the Zone 5 gold-in-soil anomaly yielded by a recently completed property-wide soil geochemical survey. High-grade grab samples collected during the prospecting phase prompted the initiation of systematic outcrop channel sampling and first pass trenching. To date, the northeast striking gold-bearing structure has been traced by outcrop and trench sampling over an approximately 300 meter distance, with the shear zone exhibiting an apparent braided geometry locally attaining approximately 30 meters in width. Work to date has defined a high-grade gold shoot over a minimum 70 meter strike distance along the Zone 5 shear zone. The auriferous shear zone is spatially associated with an approximately 1.8 kilometer long, NE-trending gold-in-soil anomaly. A parallel, untested gold-in-soil anomaly, lying approximately 300 meters to the northwest, may reflect a parallel structure. Significant trench intercepts are presented in Table 2 and length weighted average grades for the composite channel sample strings are presented in Table 3.

**Table 2: Significant Trench Intercepts - Kibi Gold Project  
(Zone 5 Shear Zone)**

Trench ID	From (meters)	To (meters)	Trench Length (meters)	Gold Grams Per Tonne	Material Type
TCK001	9.5	30	20.5	7.26	Transition Zone
including	22.5	29	6.5	12.26	
and	41	41.5	0.5	4.98	
TCK002	<b>20.3</b>	<b>27</b>	<b>6.7</b>	<b>32.32</b>	Fresh Rock
including	<b>23</b>	<b>25</b>	<b>2</b>	<b>82.22</b>	
and	29	29.5	0.5	3.45	
TCK005	2	18	16	1.17	Transition Zone
including	17	18	1	6.15	
CCRS001	<b>8</b>	<b>20.5</b>	<b>12.5</b>	<b>1.28</b>	Transition Zone - Fresh
including	<b>14.7</b>	<b>15.2</b>	<b>0.5</b>	<b>6.98</b>	Rock
<b>Notes:</b>					
Reported intercepts are trench - lengths; true width of mineralization is unknown at this time.					
Unless otherwise indicated intercepts constrained with a 0.25 g/t gold minimum cut-off grade at top and bottom of intercept, with no upper cut-off applied, and maximum of five (5) consecutive meters of internal dilution (less than 0.25 g/t gold).					
Sampling in softer Transition Zone material consists of channels collected from a canal excavated along the bottom sidewall of the trench; and in Fresh Rock sampling consists of chip channels collected from the trench floor and/or lower sidewall. Sample length nominally 0.5 meters in mineralized material.					

Trench TCK001, consisting of an easterly trending trench at an oblique angle to the NE-trending structural zone, returned a mineralized intercept of 20.5 meters grading 7.26 g/t gold, including 12.26 g/t over 6.5 meters. A second gold zone defined by the 4.98 g/t gold over 0.5 meter intercept at the 41 meter mark of trench TCK001 and outcrop chip channel sample string KBLC008 (4.32 g/t gold over 2.6 meters), located immediately north of the trench, is present along the southeast flank of the composite-type shear zone. Trench TCK002 consisting of a SE-trending trench centered approximately 20 meters northeast of trench TCK001 returned a high-grade mineralized intercept of 6.7 meters grading 32.32 g/t gold, including 82.22 g/t over 2 meters. The 3.45 g/t gold over 1 meter intercept at the south-eastern extremity of trench TCK002 (29.0 meters), in combination with outcrop chip channel strings KBLC019 and KBLC011, yielding 4.57 g/t gold over 1 meter and 2.31 g/t gold over 4 meters, define the second gold zone extending over an approximately 6.5 meter distance along the southeast flank of the high-grade gold shoot. Road Cut CCRS001, designed to test the strike extension of the structure approximately 50 meters to the southwest of the high-grade gold shoot outcrop area, returned a mineralized intercept of 12.5 meters, grading 1.28 g/t gold, including 6.98 g/t gold over 0.5 meter. Systematic trenching and/or drilling will be required to accurately determine the full mineralized width and grade of the braided, composite-type shear zone.

The surface channel sampling reported today corresponds to 178 bedrock samples collected along outcrops exposing an approximately 70 meter strike extension of the high-grade gold shoot. Channel sampling is semi-continuous along and/or across the structure reflecting the intermittent bedrock exposure. The present sampling comprises 50 saw-cut channel samples and 128 rock chip channel samples totaling 97 meters. In aggregate, these samples form 25 composite channel strings ranging from one to 9 meters in length, with individual channel samples averaging 0.55 meters in length.

Of the 178 bedrock surface channel samples collected: 35 (20%) returned less than 0.5 g/t gold; 55 (31%) returned gold values between 0.5 g/t to 3 g/t; 51 (29%) between 3 g/t and 10 g/t gold; 26 (14%) between 10 g/t to 30 g/t gold; 9 (5%) between 30 g/t and 50 g/t gold; and 2 samples returned values over 50 g/t gold (111.03 g/t maximum). The length weighted average grade of all the channel samples is 7.29 g/t gold.

**Table 3: Channel Sample Composites - Kibi Gold Project  
(Zone 5 Shear Zone)**

<b>Sample String ID</b>	<b>Sample Type</b>	<b>From (meters)</b>	<b>To (meters)</b>	<b>Sampled Length (meters)</b>	<b>Gold Grams Per Tonne</b>
KBCS023	Saw-Cut Channel	0	2.4	2.4	33.21
KBCS024	Saw-Cut Channel	0.2	4.5	4.3	15.13
KBCS025	Saw-Cut Channel	0	4.9	4.9	8.68
KBCS026	Saw-Cut Channel	0	7	7*	6.31
KBCS027	Saw-Cut Channel	0	9	9*	6.74
KBLC001	Chip Channel	0	3	3*	3.74
KBLC002	Chip Channel	0	3.5	3.5	3.25
KBLC003	Chip Channel	0	6	6	2.44
KBLC004	Chip Channel	0	2	2	1.74
KBLC005	Chip Channel	0	3.5	3.5	7.29
KBLC006	Chip Channel	0	4	4	1.06
KBLC007	Chip Channel	0	3	3	2.14
KBLC008	Chip Channel	0	2.6	2.6	4.32
KBLC009	Chip Channel	0.5	2.5	2	7.13
KBLC010	Chip Channel	0	4	4	8.90
KBLC011	Chip Channel	0	4	4	2.31
KBLC012	Chip Channel	0	4	4	7.69
KBLC013	Chip Channel	0	5	5	3.32
KBLC014	Chip Channel	0	3	3	16.14
KBLC015	Chip Channel	0	1.5	1.5	7.49
KBLC016	Chip Channel	0.7	3	2.3	40.60
KBLC017	Chip Channel	0	4.5	4.5	4.14
KBLC018	Chip Channel	0	2.2	2.2	8.72

Sample String ID	Sample Type	From (meters)	To (meters)	Sampled Length (meters)	Gold Grams Per Tonne
KBLC019	Chip Channel	0	1	1	4.57
KBLC020	Chip Channel	0	1	1	18.05
<b>Notes:</b>					
Due to irregular bedrock surface, the reported intercepts are sample intersection lengths irrespective of mineralization topography and may not represent true width of mineralization.					
Individual channel samples average 0.55 meters in length. Assay values are uncut (i.e. no grade capping has been applied).					
* Sample strings contain intervals of no sampling reflecting cumulative length of any gaps in outcrop exposure, including gaps of: 0.4 meters in #KBCS025; 0.8 meters in KBCS026; and 1.9 meters in KBCS027. All non-sampled intervals have been assigned a grade of zero for the purposes of compositing.					

Trenching and systematic outcrop sampling is ongoing to further define the strike extension of the gold-bearing structure along the 1.8 kilometer long Zone 5 gold-in-soil anomaly, and detailed geological/structural mapping is in progress to further define the mineralization controls in the high-grade gold shoot. A detailed ground magnetometer survey covering the Zone 5 anomaly area has been initiated and an induced polarization (IP) survey is in the planning stage.

In December 2012, we announced the prospecting discovery of two new gold-bearing structures parallel to the recently delineated high-grade Zone 5 shear zone, in addition to further results from ongoing channel sampling from the Zone 5 shear, on our Kibi project. Highlights of the outcrop grab sampling and channel sampling results reported at that time included:

- prospecting which identified a new, parallel, gold-bearing structure lying approximately 325 meters northwest of the high- grade Zone 5 shear zone, with outcrop grab sampling returning gold values up to 13.2 g/t, 6.86 g/t, 6.37 g/t, 6.32 g/t, and 5.33 g/t;
- saw-cut channel sample composites grading 3.13 g/t gold over 7.6 meters in sample string KBCS028B-KBCS028 and 1.08 g/t gold over 6.5 meters in string KBCS012, from a newly exposed quartz-tourmaline vein zone along the main Zone 5 shear zone; and
- the newly discovered parallel structures confirmed a gold-bearing Zone 5 deformation / alteration corridor over an apparent 325 meter width, with the main Zone 5 shear zone traced to date over an approximately 300 meter strike length.

To date, ongoing reconnaissance mapping and prospecting of the approximately 1.8 kilometers long by 300 meters to 800 meters wide, NE-trending Zone 5 gold-in-soil trend has resulted in the discovery of 2 new, parallel, gold-bearing structures located approximately 250 meters and 325 meters northwest of the high-grade Zone 5 shear zone. Preliminary interpretation of the recently completed detailed ground magnetometer survey data appears to indicate a correlation between the mineralized structures discovered to date within Zone 5 and NE-trending magnetic gradients.

The north-westernmost structure of the 2 newly identified structures consists of an approximately 10 meters wide, NE-trending, braided shear zone traced over an approximately 50 meter distance along grubbed off outcrops. A total of 27 rock grab samples were collected from 4 separate, 0.4 meters to 1.0 meters wide, quartz-filled shears forming part of the composite-type structure. Of the 27 quartz veining and iron carbonate / pyrite altered wall rock samples collected: 4 yielded less than 0.1 g/t gold; 11 returned gold values between 0.1 g/t to 1.0 g/t; 5 between 1 g/t and 4 g/t gold; 6 between 4 g/t and 7 g/t gold; and one sample returned a high of 13.2 g/t gold.

The second, newly discovered structure located approximately 250 meters northwest of the main Zone 5 shear zone is characterized by an auriferous, spine-like, quartz vein outcrop spatially associated with an approximately 150 meters wide gold-in-soil anomaly; with the soil samples on either side of the vein outcrop yielding 0.5 g/t and 0.74 g/t gold. A single grab sample collected from this narrow, NE-trending, quartz vein exposure returned 1.77 g/t gold. Mechanized trenching has been initiated across the gold-in-soil anomaly to further define this structure.

Mechanized outcrop stripping designed to follow-up on a previously released mineralized intercept of 12.5 meters grading 1.28 g/t gold in road cut CCRS001, located approximately 50 meters along strike to the southwest of the high-grade gold shoot on the main Zone 5 shear zone, exposed a NE-trending structural zone exhibiting strong quartz-tourmaline tension gash veining and iron carbonate / pyrite alteration over an approximately 45 meter strike-length. Two SE-trending, saw-cut channel sample composites located approximately 3 meters apart across the central portion of the veining exposure returned mineralized intercepts of 6.5 meters grading 1.08 g/t gold and 7.6 meters grading 3.13 g/t gold in sample strings KBCS012 and KBCS028B-KBCS028. Due to irregular bedrock surface, the reported intercepts are sample intersection lengths irrespective of mineralization topography and may not represent true width of mineralization. Systematic channel sampling is ongoing to test the full 45 meters length of the exposed vein zone.

Reconnaissance geology and prospecting is ongoing to further define the strike extensions of the three known gold-bearing structures and identify any additional prospective structures along the 1.8 kilometers long Zone 5 gold-in-soil trend. Trenching and outcrop stripping is also in progress to further exposed the 2 newly discovered auriferous structures in preparation for systematic channel sampling. Infill soil geochemical sampling on newly established 100 meters spaced grid lines designed to tighten-up the gold-in-soil anomaly and an induced polarization (IP) survey are also planned.

#### 2013 Exploration Program

In March 2013, we announced channel sampling results from a new exposure of the Main Shear, in addition to initial channel sample results from six recently identified shear zones forming part of the Zone 5 gold corridor, on our Kibi project. Highlights of the channel sampling results and Zone 5 gold corridor expansion work reported include:

- new gold shoot discovered along the Main Shear approximately 350 meters southwest of discovery high-grade gold shoot; with shear consisting of braided (anastomosing) structure attaining 13 meters in width and encompassing four sinuous mylonitic branches ranging from approximately 0.4 meters to 4 meters in width. Highlights from channel sampling of mylonitic shear branches include: 2.5 meters grading 4.71 g/t gold and 3.9 meters grading 5.9 g/t gold in channel sample strings KBCS080-7 and KBCS080-9 (SE branch), 1.1 meters grading 14.77 g/t gold, including 26.1 g/t gold over 0.5 meters in KBCS080-18 (central Branch); and 1.5 meters grading 10.47 g/t gold, including 20.4 g/t gold over 0.5 meters and 1.6 meters grading 11.14 g/t gold, including 17.8 g/t gold over 0.8 meters in strings KBCS080-2 and KBCS080-5 (NW branch)
- geological mapping/sampling to date indicates that the Zone 5 gold corridor corresponds to a minimum 325 meters wide braided shear zone system encompassing at least 7 auriferous shear zones; with the Main Shear traced to date over an approximately 475 meter strike length. The auriferous shear zone system is spatially associated with an approximately 1.8 kilometers long by 300 meters to 800 meters wide, NE-trending, anomalous gold-in-soil trend; and
- extensive arrays of mineralized low-angle extensional quartz-tourmaline veins spatially associated with all seven shear zones; greatly enhancing the bulk mining potential of the Zone 5 gold corridor.

The present exploration results correspond to an ongoing mechanized outcrop stripping / trenching transect designed to test the southwestern strike extension of the Main Shear and define the full width extent of the NE-trending Zone 5 gold corridor. Approximately 65% (325 meters) of the planned 500 meters long, NW-trending transect located approximately 350 meters southwest of the discovery high-grade gold shoot has been completed to date; with the transect positioning based on favorable topography in combination with shallow overburden cover, previously identified gold-bearing structures, and priority geophysical targets.

Geological mapping and grab / channel sampling of the bedrock exposed to date along the transect has identified seven auriferous structures distributed over an approximately 325 meters width of the Zone 5 structural corridor; including the apparent southwestern strike extension of the Main Shear. The structures consist of sinuous anastomosing shear zones ranging from approximately 1 meter to 13 meters in width and containing irregular steeply dipping veins, stringers, and lenses of quartz plus/minus iron carbonate and tourmaline. Extensive arrays of mineralized low-angle extensional veins are spatially associated with the controlling vertical shear veining.

The apparent southwestern strike extension of the Main Shear was exposed over an approximately 55 meter strike length within the southeastern portion of the outcrop stripping / trenching transect, approximately 350 meters southwest of the discovery high-grade gold shoot. At this locality, the Main Shear consists of a braided (anastomosing) structure attaining 13 meters in width and encompassing 4 sinuous high shear strain branches ranging from approximately 0.4 meters to 4 meters in width; bounding relatively less deformed/altered rock lozenges. The NE-trending, steeply SE dipping, pinch and swell high strain branches range from silicified / carbonatized mylonitic rock containing irregular quartz-tourmaline veining / lenses to sericite-iron carbonate-pyrite schist hosting parallel quartz veining. Arrays of mineralized low-angle extensional quartz-tourmaline veins cross-cut the mylonitic zones and visually extend up to 10 meters into the wall rock.

A total of 152 bedrock saw-cut channel samples totaling 86 meters were collected over an approximately 40 meter strike distance of the new Main Shear exposure, including 52 vertical or steeply inclined channel samples (28 meters) collected on outcrop ledge faces to test low-angle extensional veining arrays. In aggregate these samples form 51 composite channel strings ranging from 0.20 meters to 7.6 meters in length, with individual channel samples averaging approximately 0.55 meters in length. Of the 152 channel samples collected: 5 (3%) yielded less than 0.01 g/t gold, 28 (19%) returned gold values from 0.01 g/t to 0.1 g/t, 58 (38%) between 0.1 g/t and 1.0 g/t gold, 18 (12%) between 1 g/t and 2 g/t gold, 23 (15%) between 2 g/t and 5 g/t gold, 14 (9%) between 5 g/t and 10 g/t gold, 4 (2.5%) between 10 g/t and 20 g/t gold; and 2 samples (1.5%) returned values over 20 g/t gold (26.1 g/t maximum).

Highlights from a series of channel samples collected from the respective mylonitic branches over an approximately 20 meter strike length include mineralized intercepts of: 2.5 meters grading 4.71 g/t gold and 3.9 meters grading 5.9 g/t gold in channel sample strings KBCS080-7 and KBCS080-9 (SE branch), 1.1 meters grading 14.77 g/t gold, including 26.1 g/t gold over 0.5 meters in KBCS080-18 (central branch); 1.5 meters grading 10.47 g/t gold, including 20.4 g/t gold over 0.5 meters and 1.6 meters grading 11.14 g/t gold, including 17.8 g/t gold over 0.8 meters in strings KBCS080-2 and KBCS080-5 (NW branch); and 0.4 meters grading 2.08 g/t gold in sample string KBCS080-21(NW-2 branch). The highly accented bedrock surface, including overburden filled crevices, is typically non-conducive to continuous channel sampling across the width of the structure; with the less deformed/altered rock between the shear branches typically being recessively weathering. Local sampling of the inter-shear branch rock where possible yielded gold values in the 0.1 g/t to 1.5 g/t range. See Table 4 for the full listing of significant mineralized intercepts from the respective mylonitic zones and intercepts yielded by vertical channel sampling targeting sub-horizontal extensional veining.

<b>Table 4: Saw-Cut Channel Sample Composites - Kibi Gold Project (Zone 5 - Main Shear)</b>					
<b>Sample String ID</b>	<b>From (meters)</b>	<b>To (meters)</b>	<b>Sampled Length (meters)</b>	<b>Gold Grams Per Tonne</b>	<b>Shear Branch Comments</b>
KBCS080-7	1.5	4.0	2.54	4.71	SE branch
including	2.0	2.5	0.5	12.35	
KBCS080-8	0.0	3.0	3.0	3.39	SE branch
including	2.4	3.0	0.6	11.05	
KBCS080-9	0.6	4.5	3.9	5.90	SE branch
including	0.6	1.0	0.4	11.25	
KBCS080-10	0.5	4.5	4.0	3.12	SE branch
including	1.9	3.0	1.1	5.82	
KBCS080-11	1.4	3.3	1.9	5.72	SE branch
including	1.4	1.8	0.4	8.89	
including	2.3	2.8	0.5	8.84	
KBCS080-13	0.0	2.5	2.5	2.63	SE branch
including	1.6	2.5	0.9	4.82	
KBCS080-1	0.0	0.5	0.5	7.41	Central branch
KBCS080-3	0.5	1.1	0.6	3.97	Central branch
KBCS080-18	0.0	1.1	1.1	14.77	Central branch
including	0.6	1.1	0.5	26.10	
KBCS080-2	0.0	1.5	1.5	10.47	NW branch
including	0.5	1.0	0.5	20.40	
KBCS080-5	0.0	1.6	1.6	11.14	NW branch
including	0.8	1.6	0.8	17.80	
KBCS080-4	0.0	2.8	2.8	1.76	NW branch
including	1.3	1.8	0.5	4.36	
KBCS080-16	0.0	2.4	2.4	2.56	NW branch
including	0.0	0.6	0.6	6.59	
KBCS080-21	0.0	0.4	0.4	2.08	NW-2 branch
KBCS080-2V	0.0	1.0	1.0	3.09	Flat veins
including	0.0	0.5	0.5	5.61	
KBCS080-4V	0.0	1.0	1.0	1.26	Flat veins

Sample String ID	From (meters)	To (meters)	Sampled Length (meters)	Gold Grams Per Tonne	Shear Branch Comments
KBCS080-7V	0.0	1.0	1.0	0.86	
KBCS080-V8	0.0	1.2	1.2	2.72	Flat veins
KBCS080-V6	0.0	2.8	2.8	1.44	Flat veins
including	2.0	2.8	0.8	2.83	
KBCS080-V21	0.0	0.4	0.4	2.91	Flat veins
<b>Notes:</b>					
Due to irregular bedrock surface the reported intercepts are sample intersection lengths irrespective of mineralization topography and may not represent true width of mineralization.					
Channel String ID with "V" corresponds to vertical or steeply inclined channel sampling targeting low-angle extensional veining.					

A total of 428 bedrock saw-cut channel samples totaling 253 meters were collected from the remaining 6 shear zones emplaced within the Zone 5 gold corridor, including 25 vertical or steeply inclined channel samples (14.5 meters) collected on outcrop ledge faces to test low-angle extensional veining. In aggregate these samples form 123 composite channel strings ranging from 0.20 meters to 25 meters in length, with individual channel samples averaging approximately 0.60 meters in length. Sampling to date ranges from widespread scout channel sampling to detail channel sampling on 3 structures. Of the 428 channel samples collected: 12 (3%) yielded less than 0.01 g/t gold; 205 (48%) returned gold values from 0.01 g/t to 0.1 g/t, 159 (37%) between 0.1 g/t and 1.0 g/t gold, 18 (4%) between 1 g/t and 2 g/t gold, 23 (5%) between 2 g/t and 5 g/t gold; 10 (2%) between 5 g/t and 10 g/t gold and 1 sample returned a maximum value of 11.5 g/t gold.

The six parallel shear zones are characterized by widespread anomalous gold values in the 0.1 g/t to 1.0 g/t range (37% of samples) with localized higher grade values attaining 11.5 g/t gold. Channel sampling highlights on the respective structures include mineralized intercepts of: 1.2 meters grading 5.93 g/t gold and 1 meter grading 6.39 g/t gold in channel sample strings KBCS035 and KBCS045 (L7675 shear), 0.8 meters grading 8.83 g/t gold in sample string KBCS078-2 (L7600W shear); 0.5 meters grading 9.76 g/t gold in KBCS077-1 (Old Pit shear), 1.1 meters grading 3.83 g/t gold, including 6 g/t gold over 0.6 meters in KBCS076-31 (L7600E shear); and 0.8 meters grading 2.58 g/t gold in sample string KBCS076-50 (main-east shear). See Table 5 for the full listing of significant mineralized intercepts from these six shear zones.

Highlights of vertical channel sampling across low-angle extensional veining arrays spatially associated with the controlling vertical shear veining include: 1.1 meters grading 3.51 g/t gold and 0.8 meters grading 6.85 g/t gold in sample strings KBCS077-V1 and KBCS077-V2 (Old Pit shear), 0.4 meters grading 2.45 g/t gold in KBCS079-V1 (L7600W shear) and 1.3 meters grading 4.15 g/t gold in string TCK008-V-47.7 (L7700 shear). In the case of the L7700 shear a set of three vertical channel sample strings returned considerably higher gold values ranging from 1.17 g/t to 4.15 g/t over 0.7 meters to 1.3 meter lengths, than the 0.27 g/t gold over 2 meters yielded by the vertical shear vein.

In addition to channel sampling, a total of 137 rock grab samples were also collected from the seven shear zones as part of first pass sampling to guide subsequent channel sampling. Of the 137 quartz veining and silica-iron carbonate-pyrite altered wall rock grab samples collected: 26 (19%) yielded less than 0.01 g/t gold, 40 (29%) returned gold values from 0.01 g/t to 0.1 g/t, 24 (18%) between 0.1 g/t and 1.0 g/t gold, 26 (19%) between 1 g/t and 5 g/t gold, 14 (10%) between 5 g/t and 10 g/t gold and 7 (5%) samples returned gold values between 10 g/t and 19.85 g/t.

**Table 5: Saw-Cut Channel Sample Composites - Kibi Gold Project  
(Zone 5 – New / Parallel Shear Zones)**

Sample String ID	From (meters)	To (meters)	Sampled Length (meters)	Gold Grams Per Tonne	Shear ID / Comments
KBCS034	3.0	4.5	1.5	1.73	L7675
including	4.0	4.5	0.5	3.86	
KBCS035	0.9	2.1	1.2	5.93	L7675
KBCS036	0.5	1.6	1.1	1.23	L7675
KBCS037	3.0	5.3	2.3	2.45	L7675
including	3.0	3.5	0.5	5.57	
KBCS039	1.5	10.5	9.0	0.63	L7675
including	10.0	10.5	0.5	3.98	
KBCS040	2.0	3.5	1.5	1.47	L7675
KBCS041	2.0	2.5	0.5	3.27	L7675
KBCS045	1.2	2.2	1.0	6.39	L7675
KBCS056	0.5	1.5	1.0	2.33	L7675
KBCS047	0.0	0.5	0.5	9.99	L7675
KBCS076-31	0.0	1.2	1.1	3.83	L7600E
including	0.0	0.6	0.6	6.00	
KBCS076-47	2.2	4.5	2.3	1.00	L7600E
KBCS076-50	1.1	1.9	0.8	2.58	Main-East
KBCS077-1	0.0	0.5	0.5	9.76	Old Pit
KBCS077-V1	0.0	1.1	1.1	3.51	Old Pit, Flat Veins
KBCS077-V2	0.0	0.8	0.8	6.85	Old Pit, Flat Veins
KBCS077-V3	0.0	0.6	0.6	4.63	Old Pit, Flat Veins
KBCS059-2	0.0	0.8	0.8	1.83	L7600W
KBCS078-2	0.0	0.8	0.8	8.93	L7600W
KBCS078-3	0.0	1.0	1.0	3.75	L7600W
KBCS079-1	0.7	3.6	2.9	1.11	L7600W
including	0.7	1.2	0.5	3.07	
including	2.4	2.8	0.4	2.92	
KBCS079-6	0.0	0.5	0.5	4.53	L7600W
KBCS079-V1	0.0	0.4	0.4	2.45	L7600W, Flat Veins
KBCS079-V2	0.0	0.5	0.5	1.51	L7600W, Flat Veins
TCK008-V-45.7	0.6	1.8	1.2	1.48	L7700, Flat Veins
TCK008-V-46.7	1.0	1.7	0.7	1.17	L7700, Flat Veins
TCK008-V-47.7	0.0	1.3	1.3	4.15	L7700, Flat Veins

**Notes:**

Due to irregular bedrock surface the reported intercepts are sample intersection lengths irrespective of mineralization topography and may not represent true width of mineralization.

Channel String ID with "V" corresponds to vertical or steeply inclined channel sampling targeting low-angle extensional veining.

Preliminary geological observation indicate that the Zone 5 gold corridor corresponds to a minimum 325 meters wide, multi-structure, braided shear zone system emplaced along a quartz feldspar porphyry ("QFP") body; with the Main Shear traced to date over an approximately 475 meters strike length. The auriferous shear zone system is spatially associated with an approximately 1.8 kilometers long by 300 meters to 800 meters wide, NE-trending, anomalous gold-in-soil trend centered on a moderate magnetic / high radiometric airborne geophysical signature appearing to delineate the QFP body.

Outcrop stripping / trenching continues on the planned 500 meters long transect to determine the full width extent of the Zone 5 gold corridor; as well as detail geological mapping and channel sampling of the auriferous shears identified to date. Infill soil geochemical sampling and prospecting is also in progress on newly established detail (100 meters) grid lines covering the 1.8 kilometers long Zone 5 gold-in-soil anomaly. A 30 kilometers pole-dipole induced polarization (IP) survey covering a 2.2 kilometers by 1.0 kilometer to 1.5 kilometers grid at 100 meters spacing was completed by Sagax Afrique S.A. in February 2013; with the final results and interpretation still pending.

In April 2013, we announced additional surface channel sampling results from the recently discovered Main Shear - L7600N Gold Shoot, as well as preliminary results of the IP Survey covering the entire extent of the Zone 5 gold-in-soil anomaly, on our Kibi project. Highlights of the channel sampling and IP Survey results reported include:

- new L7600N gold shoot recently discovered along the Main Shear approximately 350 meters southwest of discovery high- grade gold shoot returns 5.1 meters grading 5.88 g/t gold, including 10.65 g/t gold over 0.5 meters, in saw-cut channel string #KBCS080-28; and 3 meters grading 10.37 g/t gold, including 16.80 g/t gold over 1 meter, in trench #TCK013 (Main Shear - L7600N Gold Shoot);
- vertical channel sampling of low-angle extensional quartz-tourmaline veining array returning intercepts of up to 1 meter grading 10.55 g/t gold and 1.6 meters grading 8.39 g/t gold in sample strings #CCRS002-V-5.6 and #CCRS002-V-8.4; greatly enhancing the bulk mining potential of the Main Shear structure;
- preliminary interpretation of IP data indicates that the Main Shear and L7600W auriferous structures lie in close proximity to high resistivity axes along the southeast and northwest margins of a broad resistivity trend extending over a 1,000 meter distance; with the Main Shear mineralization spatially associated with a coincident high resistivity / intermittent weak – moderate chargeability signature extending over an approximately 600 meter strike distance.

Table 6 channel samples were assayed by ALS Ghana Limited.

<b>Table 6: Saw-Cut Channel / Trench Channel Grade Composites Zone 5 – Main Shear – L7600N Gold Shoot</b>					
<b>Sample String / Trench ID</b>	<b>From (meters)</b>	<b>To (meters)</b>	<b>Sampled Length (meters)</b>	<b>Gold Grams Per Tonne</b>	<b>Comments</b>
KBCS080-24	3.5	5.0	1.5	2.04	Bedrock; Saw-Cut Channels
KBCS080-25	0.0	2.2	2.2	2.47	Bedrock; Saw-Cut Channels
including	0.9	1.8	0.9	4.19	
KBCS080-28	<b>1.4</b>	<b>6.5</b>	<b>5.1</b>	<b>5.88</b>	Bedrock; Saw-Cut Channels
including	1.4	1.9	0.5	10.65	
TCK013	<b>2.0</b>	<b>5.0</b>	<b>3.0</b>	<b>10.37</b>	Saprolite; Trench Channels
including	3.0	4.0	1.0	16.80	
CCRS002	4.0	8.0	4.0	2.29	Saprolite; Trench Channels
including	4.0	6.0	2.0	3.24	
CCRS002-V-5.6	0.0	1.0	1.0	10.55	Saprolite; Vertical Channels
CCRS002-V-8.4	0.0	1.6	1.6	8.39	Saprolite; Vertical Channels
including	0.0	1.0	1.0	11.15	
KBCS080-V53	0.0	0.9	0.9	2.45	Saprolite; Vertical Channels
KBCS080-V54	0.5	1.4	0.9	2.92	Saprolite; Vertical Channels
KBCS080-V55	0.4	1.0	0.6	2.47	Saprolite; Vertical Channels

Sample String / Trench ID	From (meters)	To (meters)	Sampled Length (meters)	Gold Grams Per Tonne	Comments
KBCS080-V57	0.0	0.5	0.5	2.82	Saprolite; Vertical Channels
KBCS080-V58	0.0	0.7	0.7	2.10	Saprolite; Vertical Channels
KBCS078-5	2.2	3.0	0.8	54.30	Bedrock; Saw-Cut Channels (L7600W Shear)
<b>Notes:</b>					
Due to irregular bedrock surface the reported saw-cut channel intercepts are sample intersection lengths irrespective of mineralization topography and may not represent true width of mineralization.					
Reported trench intercepts are trench-lengths; true width of mineralization is unknown at this time.					
Channel String ID with "V" corresponds to vertical or steeply inclined channel sampling targeting low-angle extensional veining.					

#### Main Shear – L7600N Gold Shoot Sampling Results

The present Main Shear – L7600N Gold Shoot sampling results correspond to an approximately 12.5 meters wide by 30 meters long bedrock trench exposure centered approximately 35 meters along strike to the southwest of the 13 meters wide, gold bearing, braided structure reported in our March 4, 2013 news release. On this new exposure the Main Shear consists of a sinuous, pinch and swell shear zone ranging from approximately 2 meters to 5 meters in width and containing irregular steeply dipping veins, stringers, and lenses of quartz plus/minus iron carbonate and tourmaline. An array of mineralized low-angle extensional veins is spatially associated with the controlling vertical shear veining.

Saw-cut channel sample string #KBCS080-28 collected across the Main Shear structure in the middle of the bedrock exposure returned a mineralized intercept of 5.1 meters grading 5.88 g/t gold, including 10.65 g/t gold over 0.5 meters. Channel sampling of the structure within the saprolitic material along the trench walls returned a mineralized intercept of 3 meters grading 10.37 g/t gold, including 16.80 g/t gold over 1 meter, in trench channel string #TCK013 located approximately 6.5 meters northeast of the #KBCS080-28 saw-cut channel intercept; and trench channel string #CCRS002 located approximately 6 meters to the southwest of the #KBCS080-28 bedrock intercept returned 4 meters grading 2.29 g/t gold, including 3.24 g/t gold over 2 meters. Saw-cut channel string #KBCS080-25 collected across the structure at the northeast margin of the bedrock exposure yielded 2.2 meters grading 2.47 g/t gold, including 4.19 g/t gold over 0.9 meters.

A total of 13 vertical channel sample strings ranging from 0.5 meters to 3 meters in length were collected within the saprolitic material along the trench walls to test the low-angle extensional vein array extending out a minimum of 18 meters from the hanging wall of the controlling vertical shear veining. Highlights of the vertical channel sampling include: 1 meter grading 10.55 g/t gold and 1.6 meters grading 8.39 g/t gold, including 11.15 g/t gold over 1 meter, in sample strings #CCRS002-V-5.6 and #CCRS002-V-8.4 on the southwest trench wall; and 0.9 meters grading 2.45 g/t gold and 0.9 meters grading 2.92 g/t gold in sample strings #KBCS080-V53 and #KBCS080-V54 on the northeast trench wall. Of the 34 vertical channel samples (0.2 meters – 1 meter) collected: 7 yielded less than 0.01 g/t gold; 10 returned gold values from 0.1 g/t to 1 g/t; 12 between 1 g/t and 3 g/t gold; 3 between 3 g/t and 7 g/t gold; and 2 samples returned values over 10 g/t gold (11.15 g/t maximum).

Saw-cut channel sampling on the L7600W Shear, located approximately 260 meters northwest of the above L7600N gold shoot showing, returned 0.8 meters grading 54.30 g/t gold in sample string #KBCS078-5. The L7600W Shear consists of an approximately 10 meter wide, NE-trending, braided shear zone traced over an approximately 50 meter distance along stripped off outcrops. Previously reported intercepts from this auriferous structure include 0.8 meters grading 8.83 g/t gold and 1 meter grading 3.74 g/t gold in saw-cut channel sample strings #KBCS078-2 and #KBCS078-3.

The present sampling results extend the L7600N Gold Shoot over an approximately 85 meter strike distance; with the Main Shear traced to date over an approximately 500 meter strike length. Geological mapping/sampling indicates that the Zone 5 Gold Corridor corresponds to a minimum 325 meter wide braided shear zone system encompassing at least 7 auriferous shear zones. The auriferous shear zone system is spatially associated with an approximately 1.8 kilometer long by 300 meters to 800 meters wide, NE-trending, anomalous gold-in-soil trend.

#### Zone 5 Induced Polarization / Resistivity Survey

Preliminary interpretation of the recently completed IP survey data indicates that the Zone 5 Gold Corridor is spatially associated with a broad, NE-trending high resistivity anomaly spanning in width from 250 meters to 350 meters and extending over an approximately 1,000 meter distance; with the Main Shear and L7600W structures lying proximate to high resistivity axes along the southeast and northwest margins of the broad resistivity trend, respectively. The Main Shear mineralization appears to be spatially associated with a coincident high resistivity / intermittent weak – moderate chargeability signature extending over an approximately 600 meter strike distance.

The broad resistivity anomaly to which the Zone 5 Gold Corridor is spatially associated appears to form part of a series of NE-trending (055° – 065°) high resistivity trends abutting against and/or bending into a NNE-trending (030°) regional fault characterized by a high chargeability / high conductivity signature; and cross-cut by the regional NNE structural fabric. Geological mapping observations appear to indicate that these high resistivity trends correspond to broad zones of strong iron carbonate (+/- silica) alteration.

Preliminary interpretation results indicate the presence of an additional 17 coincident chargeable (IP) / resistive anomalies across the Zone 5 grid, including 3 high priority IP targets spanning from 300 meters to 600 meters in length. Of particular exploration interest is an approximately 600 meter long IP trend characterized by a strong resistivity / weak – moderate chargeability signature exhibiting a spatial relationship to anomalous gold-in-soil values and quartz – iron carbonate float samples yielding gold values of 1.09 g/t and 0.47 g/t gold.

The geophysical survey was carried out by Sagax Afrique S.A. from mid-January to mid-February 2013. Sagax Afrique S.A. is an experienced geophysical contractor who has worked on similar Birimian-hosted lode gold deposits throughout West Africa. The IP data was acquired using a pole-dipole electrode array with a dipole spacing of 50 meters which was expanded through 9 separations (n=1 to 10). A total of 23 NW-SE oriented profiles, spaced 100 meters apart, were surveyed for a total of 31.2 line-kilometers. Detailed analysis of the IP data is still underway and a detailed interpretation of the Main Shear gold trend and other high priority targets will be released when available.

In June 2013, we announced additional trench and channel sampling results from the Zone 5 Gold Corridor, as well as initial ground-proofing results of high priority gold targets recently defined by the IP Survey on our Kibi project. Highlights of the trench / channel sampling and IP target prospecting reported include:

- 6 meters grading 5.96 g/t gold, including 13.00 g/t gold over 2.5 meters, in trench #CCRS003; and 3 meters grading 6.39 g/t gold and 6.8 meters grading 3.12 g/t gold, including 5.33 g/t gold over 2.2 meters, from parallel shear structures in saw-cut channel sample strings #KBCS080-35 and #KBCS080-33 respectively (Main Shear - L7600N Gold Shoot);
- 2.4 meters grading 6.25 g/t gold and 1.1 meters grading 14.05 g/t gold in trench channel strings #CCRS005-A and #CCRS005-B; and 3.8 meters grading 6.84 g/t gold, including 11.05 g/t gold over 0.9 meters, in saw-cut channel string #KBCS077-11 (Old Pit Shear); 1.3 meters grading 9.07 g/t gold in saw-cut channel string #KBCS082-2 (Roadside Shear); and 3 meters grading 17.96 g/t gold in sample string #KBCS078-5 (L7600W Shear);
- new bedrock exposure of Main Shear discovered approximately 250 meters southwest of the L7600N Gold Shoot during prospecting of the 1,100 meters long high resistivity trend spatially associated with the Main Shear structure; extending the apparent strike length of the Main Shear gold mineralization to approximately 775 meters; and
- new iron formation-hosted gold target exhibiting spatial association with a series of coincident high chargeability (IP) / weak- moderate resistivity anomalies lying along a regional structure discovered on the Zone 5 grid;

The present channel sampling results correspond to an ongoing mechanized outcrop stripping / trenching transect designed to test the southwestern strike extension of the Main Shear and define the full width extent of the NE-trending Zone 5 Gold Corridor. In addition to continued detailed channel sampling of the Main Shear – L7600N Gold Shoot, reported results include significant channel sample intercepts for the Old Pit, Roadside, and L7600W shear zones lying approximately 50 meters, 150 meters, and 250 meters northwest of the Main Shear structure.

**Table 7: Trench Channel / Saw-Cut Channel Grade Composites  
Main Shear – L7600N Gold Shoot and Old Pit – L7600W – Roadside Shears  
Zone 5 Gold Corridor**

<b>Sample String / Trench ID</b>	<b>From (meters)</b>	<b>To (meters)</b>	<b>Sampled Length (meters)</b>	<b>Gold Grams Per Tonne</b>	<b>Comments</b>
CCRS003	3.5	9.5	6.0	5.96	Main – L7600N Shoot
including	7.0	9.5	2.5	13.00	
and including	9.0	9.5	0.5	35.60	
CCRS003-V2	0.0	1.5	1.5	3.42	Main – L7600N Shoot
CCRS003-V3	0.0	1.7	1.7	1.03	Main – L7600N Shoot
KBCS080-33	5.2	12.0	6.8	3.12	Main – L7600N Shoot
including	6.8	9.0	2.2	5.33	
KBCS080-35	0.5	3.5	3.0	6.39	Main – L7600N Shoot
including	0.5	1.0	0.5	12.35	
KBCS080-44	0.0	2.0	2.0	1.09	Main – L7600N Shoot
CCRS005-A	0.0	2.4	2.4	6.25	Old Pit
including	1.5	2.4	0.9	10.10	
CCRS005-B	0.0	1.1	1.1	14.05	Old Pit
KBCS077-6	0.0	0.9	0.9	3.12	Old Pit
KBCS077-11	0.0	3.8	3.8	6.84	Old Pit
including	1.4	2.3	0.9	11.05	
KBCS077-12	0.0	0.8	0.8	5.70	Old Pit
KBCS077-15	0.0	5.5	5.5	2.23	Old Pit
including	1.0	3.0	2.0	4.03	
KBCS077-16	0.0	0.7	0.7	24.80	Old Pit
KBCS077-V2	0.0	1.8	1.8	4.49*	Old Pit; Flat Veins
including	0.5	1.3	0.8	6.85	
KBCS077-V4	0.0	1.1	1.1	2.78	Old Pit; Flat Veins
KBCS077-V5	0.0	0.6	0.6	40.60	Old Pit; Flat Veins
KBCS077-V6	0.0	0.8	0.8	4.21	Old Pit; Flat Veins
KBCS077-V7	0.0	0.4	0.4	6.36	Old Pit; Flat Veins
KBCS077-V8	0.0	0.6	0.6	10.05	Old Pit; Flat Veins
KBCS078-5	2.2	5.2	3.0	17.96	L7600W
including	2.2	3.0	0.8	54.30*	
KBCS082-2	0.0	1.3	1.3	9.07	Roadside
including	0.0	0.6	0.6	17.80	
KBCS082-3	0.0	2.0	2.0	1.84	Roadside
including	0.0	0.6	0.6	4.07	
KBCS082-4	0.0	0.7	0.7	2.20	Roadside

<b>Notes:</b>
* Previously reported result with subsequent extension of channel sample string.
Reported trench intercepts are trench-lengths; true width of mineralization is unknown at this time. Due to irregular bedrock surface, the reported saw-cut channel intercepts are sample intersection lengths irrespective of mineralization topography and may not represent true width of mineralization.
Sample strings with "CCRS" prefix correspond to trench channel sampling in saprolite (oxide) material; and sample strings with "KBCS" prefix correspond to bedrock saw-cut channel sampling. Trench / Channel String ID with "V" corresponds to vertical or steeply inclined channel sampling targeting low-angle extensional veining.

A total of 154 bedrock saw-cut channel samples totaling 109.8 meters and 113 saprolite trench channel samples totaling 116.2 meters were collected from the 4 aforementioned shear zones. In aggregate, these samples form 52 composite channel strings ranging from 0.40 meters to 63 meters in length, with individual saw-cut channel and saprolite channel samples averaging approximately 0.7 meters and 1 meter in length, respectively. Of the 267 total channel samples collected: 26 (10%) yielded less than 0.01 g/t gold; 107 (40%) returned gold values from 0.01 g/t to 0.1 g/t; 74 (28%) between 0.1 g/t and 1.0 g/t gold; 18 (6.5%) between 1 g/t and 2 g/t gold; 20 (7.5%) between 2 g/t and 5 g/t gold; 12 (4.5%) between 5 g/t and 10 g/t gold; 7 (2.5%) between 10 g/t and 20 g/t gold; and 3 (1%) samples returned values over 20 g/t gold (54.3 g/t maximum).

An additional 36 vertical or steeply inclined channel sample strings (46.1 meters) ranging from 0.4 meters to 2.4 meters in length were collected on outcrop ledge faces and trench walls to test low-angle extensional veining. Of the 76 vertical channel samples collected: 3 (4%) yielded less than 0.01 g/t gold; 33 (43.5%) returned gold values from 0.01 g/t to 0.1 g/t; 20 (26.25%) between 0.1 g/t and 1.0 g/t gold; 6 (8%) between 1 g/t and 2 g/t gold; 8 (10.5%) between 2 g/t and 5 g/t gold; 4 (5.25%) between 5 g/t and 10 g/t gold; and 2 (2.5%) samples returned values over 10 g/t gold (40.6 g/t maximum).

#### Main Shear – L7600N Gold Shoot Sampling Results

The present Main Shear – L7600N Gold Shoot assay results correspond to additional saw-cut channel sampling on the approximately 12.5 meters wide by 30 meters long bedrock trench exposure reported in our April 25, 2013 news release; and a new trench targeting the southwest strike extension of the shear system.

Saw-cut channel string #KBCS080-35 collected within the central portion of the bedrock trench exposure, centered approximately 2 meters southeast of previously reported channel string #KBCS080-28 yielding 5.1 meters grading 5.88 g/t gold, returned a mineralized intercept of 3 meters grading 6.39 g/t gold, including 12.35 g/t gold over 0.5 meters. Both channel strings targeted a sinuous, pinch and swell shear zone containing irregular steeply dipping veins, stringers, and lenses of quartz plus/minus iron carbonate and tourmaline. Channel string #KBCS080-33 returned a mineralized intercept of 6.8 meters grading 3.12 g/t gold, including 5.33 g/t gold over 2.2 meters, from a parallel quartz-tourmaline bearing structure located approximately 10 meters southeast of the #KBCS080-28 / #KBCS080-35 intercepts.

Trench #CCRS003 returned a saprolite channel sample intercept of 6 meters grading 5.96 g/t gold, including 13.00 g/t gold over 2.5 meters, from another apparent parallel shear structure located approximately 20 meters west-southwest of the above #KBCS080-35 intercept. Vertical channel sample strings #CCRS003-V2 and #CCRS003-V3 targeting low-angle extensional quartz-tourmaline veining on the northwest flank of the shear zone returned mineralized intercepts grading 3.42 g/t gold over 1.5 meters and 1.03 g/t gold over 1.7 meters.

Geological mapping/sampling to date indicates that the L7600N Gold Shoot corresponds to a minimum 105 meter strike length, braided (anastomosing) structure attaining 25 meters in width and encompassing a series of sinuous, high shear strain branches ranging from approximately 0.4 meters to 7 meters in width; bounding relatively less deformed/altered rock lozenges. The NE-trending, steeply SE dipping, pinch and swell high strain branches range from silicified / carbonatized mylonitic quartz feldspar porphyry ("QFP") containing irregular quartz-iron carbonate-tourmaline veining / lenses to sericite-iron carbonate-pyrite schist hosting parallel quartz veining. Arrays of mineralized low-angle extensional quartz-tourmaline veins are developed across the shear system.

#### Old Pit Shear Detailed Channel Sampling

The Old Pit Shear consisting of an approximately 20 meter wide, gold-bearing corridor located approximately 50 meters northwest of the Main Shear-L7600N Gold Shoot was subjected to additional trenching/outcrop stripping and detailed channel sampling. The NE-trending structure traced to date over an approximately 35 meter strike distance encompasses two sub-parallel shear zones lying approximately 7 meters apart.

The northwest shear consists of a braided (anastomosing) structure encompassing two prominent, sinuous, high shear branches located approximately 2.5 meters apart; and containing irregular steeply dipping veins, stringers, and lenses of quartz plus/minus iron carbonate and tourmaline. Saprolite channel sample string #CCRS005-A and saw-cut channel sample string #KBCS077-6 collected approximately 3 meters apart, across the northwestern shear branch returned mineralized intercepts of 2.4 meters grading 6.25 g/t gold, including 10.10 g/t gold over 0.9 meters, and 0.9 meters grading 3.12 g/t gold. Saprolite channel sample string #CCRS005-B and saw-cut channel sample string #KBCS077-11 collected approximately 2 meters apart, across the southeastern shear branch returned mineralized intercepts of 1.1 meters grading 14.05 g/t gold and 3.8 meters grading 6.84 g/t gold, including 11.05 g/t gold over 0.9 meters.

Saw-cut channel sample strings #KBCS077-15, #KBCS077-12, and #KBCS077-16 collected over an approximately 15 meter strike distance, across the southeast shear of the Old Pit structural corridor returned mineralized intercepts of 5.5 meters grading 2.23 g/t gold, including 4.03 g/t gold over 2 meters, 0.8 meters grading 5.70 g/t gold and 0.7 meters grading 24.80 g/t gold, respectively. An extensive array of mineralized low-angle extensional quartz-tourmaline veins is developed across the Old Pit shear corridor. Highlights of vertical or steeply inclined saw-cut channel sampling targeting low-angle veining include: 1.8 meters grading 4.49 g/t gold, including 6.85 g/t gold over 0.8 meters in sample string #KBCS077-V2; 0.6 meters grading 40.60 g/t gold in #KBCS077-V5; 0.8 meters grading 4.21 g/t gold in #KBCS077-V6; and 0.6 meters grading 10.05 g/t gold in #KBCS077-V8.

#### Initial Roadside Shear Channel Sampling

The Roadside Shear located approximately 150 meters northwest of the Main Shear-L7600N Gold Shoot was tested by first pass channel sampling to follow-up on prospecting rock grab samples returning gold values of 11.85 g/t and 17.90 g/t. The approximately 4 meter wide, sinuous shear zone containing irregular veins and lenses of quartz plus/minus iron carbonate and tourmaline is exposed along a NE-trending, spine-like outcrop; with the outcrop centered by an approximately 1 meter wide, overburden filled crevice preventing continuous channel sampling across the width of the structure.

Sample strings #KBCS082-2 and #KBCS082-3 consisting of parallel, saw-cut channel samples located approximately 1.5 meters apart, across the shear zone's northwestern exposure returned mineralized intercepts of 1.3 meters grading 9.07 g/t gold, including 17.80 g/t gold over 0.6 meters, and 2 meters grading 1.84 g/t gold, including 4.07 g/t gold over 0.6 meters. Channel sample string #KBCS082-4 collected across the southeastern portion of the shear exposure yielded a mineralized intercept of 0.7 meters grading 2.20 g/t gold.

#### L7600W Shear Follow-Up Channel Sampling

Follow-up channel sampling was conducted on the L7600W Shear lying along the northwest margin of the Zone 5 Gold Corridor, approximately 250 meters northwest of the Main Shear-L7600N Gold Shoot, to further define the high grade gold intercept returned by saw-cut channel sample string #KBCS078-5. The extended #KBCS078-5 sample string encompassing two sinuous high shear strain branches returned a mineralized intercept of 3 meters grading 17.96 g/t gold, including the previously released intercept of 54.30 g/t gold over 0.8 meters. The L7600W auriferous structure consists of a NE-trending, up to 10 meters wide, braided shear zone traced by channel and grab sampling over an approximately 50 meter strike-length along a series of spine-like outcrops.

#### Initial IP Target Ground-Proofing Results

##### *Main Shear – SW Extension*

A new bedrock exposure of the apparent, southwestern extension of the Main Shear was discovered approximately 250 meters southwest of the L7600N Gold Shoot during prospecting of the southwestern segment of the approximately 1,100 meters long, NE-trending high resistivity trend spatially associated with the Main Shear structure; extending the apparent strike length of the Main Shear gold mineralization to approximately 775 meters.

Seven composite chip samples collected from a series of spine-like outcrops spanning across an approximately 50 meter transect of the exposed structural zone returned gold values of 0.38 g/t, 0.51 g/t, 0.7 g/t, 1.14 g/t, 1.26 g/t, 1.31 g/t, and 3.91 g/t. The gold mineralization is hosted by sheared, iron carbonate altered QFP with undulating ribbon quartz-iron carbonate-tourmaline stringers. Mechanized trenching / outcrop stripping is planned to further define the extent of this new mineralization zone on the Main Shear structure.

##### *New Iron Formation – Hosted Gold Target*

Prospecting efforts along the geophysically inferred, NNE-trending (030°) regional fault zone lying within the southwestern portion of the Zone 5 grid, at the intersection with the NE-trending (060°) Zone 5 Gold Corridor high resistivity trends, produced extensive fields of auriferous banded iron formation floats distributed over an approximately 650 meter distance along the controlling structure. Of the 57 iron formation samples collected,; 6 yielded less than 0.01 g/t gold; 22 returned gold values from 0.01 g/t to 0.1 g/t; 19 between 0.1 g/t and 0.5 g/t gold; 9 between 0.5 g/t and 1 g/t gold; and 1 sample returned a maximum value 2.18 g/t gold.

The gold-bearing iron formation floats exhibit a spatial association with a series of coincident high chargeability (IP) / weak – moderate resistivity anomalies and patchy to intermittent anomalous gold-in-soil values in the 50 to 225 ppb range. The mineralized hematite (+/- goethite) iron formation material is characterized by strong patchy to pervasive silica alteration, pyritization, and quartz stockworks. The iron formation float which returned 2.18 g/t gold exhibits a spatial relationship with an apparent dilational jog developed at a left-stepping bend along the geophysically inferred structure.

In December 2013, we announced the final interpretation of the results for the Zone 5 Gold Corridor IP Survey on our Kibi project. Highlights of the IP survey results reported include:

- bulk of gold mineralization identified to date along Zone 5 Gold Corridor exhibits strong spatial association with prominent, NE to ENE-trending, resistivity trends (i.e. #R2, #R1) appearing to reflect broad zones of strong iron carbonate (+/- silica) alteration;
- approximately 350 meter long, deep-rooted (> 225 m), SW-plunging, coincident chargeability (IP) / resistivity anomaly spatially associated with the High Grade Gold Shoot and Tourmaline Zone at the northwest extremity of the Main Shear structure (i.e. #M2 Priority Target);
- to date, gold mineralization, including the High Grade Gold Shoot and L17600N Gold Shoot along the Main Shear structure and the neighboring Old Pit Shear, traced over an approximately 775 meter apparent strike distance along the approximately 1,100 meter long #R2 high resistivity trend;
- two high-priority, 475 meters and 600 meters long, IP targets identified along prominent ENE-trending resistivity anomalies paralleling the gold-bearing #R2 resistivity trend spatially associated with the Main Shear and Old Pit auriferous structures (i.e. #M8 and #M15 Priority Targets); and
- widespread auriferous banded iron formation rock floats spatially associated with parallel, 900 meters and 550 meters long, deep-rooted, very strong chargeability responses with intermittent resistivity anomalies lying along apparent NNE-trending regional fault zone (i.e. #M17 and #M21 IP Targets).

The Zone 5 IP survey identified 4 first priority, coincident chargeability (IP) / resistivity anomalies, including: an approximately 350 meter long, deep-rooted (> 225 meters), SW-plunging chargeability / resistivity target spatially associated with the High Grade Gold Shoot and Tourmaline Zone at the northwest extremity of the Main Shear structure (i.e. #M2); and two 475 meters to 600 meters long IP targets spatially associated with prominent ENE-trending resistivity anomalies paralleling the gold-bearing #R2 resistivity trend spatially associated with the Main Shear and Old Pit auriferous structures (i.e. #M8, #M15). The survey also yielded an additional 5 second priority, coincident chargeability / resistivity anomalies, 12 third priority chargeability anomalies, and 10 resistivity anomalies on the Apapam concession portion of the survey grid. In gold exploration, coincident chargeability (IP) / resistivity anomalies are generally indicative of the presence of disseminated sulphides associated with silica and/or carbonate altered rock and quartz veining.

The #M2, #M8, #M15, and #M17 high-priority IP targets are described in detail in their respective sections below. A series of compilation maps depicting the interpreted chargeability / resistivity responses at a depth of 100 meters to 150 meters below surface has been posted on our company's website. Trench and channel sampling results and geological mapping data is currently being integrated into the 3D IP model and results will be released in due course.

The IP survey was carried out by Sagax Afrique S.A. from mid-January to mid-February 2013. The IP data was acquired using a pole-dipole electrode array with a dipole spacing of 50 meters which was expanded through 9 separations (n=1 to 10). A total of 23 NW-SE oriented profiles, spaced 100 meters apart, were surveyed for a total of 31.2 line-kilometers. The interpretation and 3D modeling of the survey results was conducted by Jean David, the Principal Geophysicist at Sagax Afrique S.A.

#### Zone 5 – Gold Mineralization Setting

Geological mapping and geophysical interpretation indicates that the bulk of the gold mineralization identified to date along the Zone 5 Gold Corridor exhibits a strong spatial association with two prominent, NE to ENE-trending, very strong to moderate resistivity trends (i.e. #R2, #R1) appearing to reflect broad zones of strong iron carbonate (+/- silica) alteration.

To date, gold mineralization, including the High Grade Gold Shoot and L17600N Gold Shoot along the Main Shear structure and the neighboring Old Pit Shear, has been traced over an approximately 775 meters apparent strike distance along the approximately 1,100 meter long #R2 resistivity trend. The high-priority #M2 IP chargeability anomaly spatially associated with the High Grade Gold Shoot and Tourmaline Zone on the Main Shear structure is spatially related to the northeast extremity of the #R2 resistivity trend. The fact that the first priority #M8 and #M15 IP anomalies are spatially associated with parallel resistivity trends lying to the southwest of the gold-bearing #R2 resistivity trend renders said IP targets highly prospective for hosting gold mineralization.

These high resistivity anomalies appear to form part of a widespread system of NE to ENE-trending (055° – 070°), high resistivity trends abutting against and/or bending into an interpreted NNE-trending (020° - 030°) regional fault zone characterized by a high chargeability / high conductivity domain; and cross-cut by the regional NNE structural fabric. The positioning of the #M8 and #M15 IP targets along the southwestern extremity of these resistivity trends, at the junction with the apparent regional structure, represents a highly prospective structural setting for lode gold mineralization.

#### #M2 IP Target (High Grade Gold Shoot – Main Shear Structure)

The High Grade Gold Shoot and Tourmaline Zone emplaced along the Main Shear structure are spatially associated with the southwest margin of the high-priority #M2 chargeability (IP) target spatially related to the northeast extremity of the prominent, auriferous #R2 resistivity trend (i.e. L17700N – L18100N). Previously reported mineralized intercepts for the High Grade Gold Shoot include: 20.5 meters grading 7.26 grams per tonne (“t gold, including 12.26 g/t over 6.5 meters, in trench #TCK001; and 6.7 meters grading 32.32 g/t gold, including 82.22 g/t over 2 meters, in trench #TCK002 (November 12, 2012 news release). Previously reported sampling results for the Tourmaline Zone include saw-cut channel sample composites grading 3.13 g/t gold over 7.6 meters in sample string #KBCS028B-KBCS028 (December 5, 2012).

The #M2 target consists of an approximately 350 meter long by 25 meters to 75 meters wide, NE-trending, deep-rooted anomaly exhibiting coincident, moderate – weak chargeability and very strong resistivity responses. The approximately, north-eastermost 50 meter extent of the high-priority #M2 anomaly lies outside the Apapam concession on third party ground. The chargeability component of the anomaly extends to the depth penetration limit of the IP survey of approximately 225 meters below surface and appears to exhibit a steep northwesterly dip and a southeasterly plunge.

#### #M8 IP Target (Zone 5 Gold Corridor)

The high-priority #M8 IP anomaly consists of an approximately 600 meter long, deep rooted, strong to moderate chargeability response associated with a prominent ENE-trending resistivity anomaly paralleling the auriferous #R2 resistivity trend spatially associated with the Main Shear and Old Pit gold-bearing structures; with the #M8 target lying approximately 200 meters southwest of the Main Shear’s L17600N Gold Shoot. The coincident chargeability (IP) / resistivity anomaly extending from L16900N to L17400N appears to range from approximately 40 meters to 100 meters in width, exhibit a sub-vertical attitude, and reach its maximum chargeability amplitudes at depths of 125 meters to 150 meters below surface. The position of the #M8 IP target along the southwestern extremity of the ENE-trending resistivity trend, at its junction with the conductive domain geophysically-inferred to reflect a NNE-trending regional fault zone, represents a highly prospective structural setting for lode gold mineralization.

The discontinuity between the #R24 and #R8 resistivity trends along the central portion of the #M8 anomaly appears to reflect an apparent displacement by a NNE-trending fault. A strong chargeability response coincident with the #R24 resistivity axis on L16700N possibly extends the #M8 anomaly an additional 150 meters to the southwest. This anomaly has yet to be ground-proofed but anomalous gold-in-soil values in the 28 to 390 ppb range are spatially associated with the potentially 750 meter long high-priority IP target.

#### #M15 IP Target (Zone 5 Gold Corridor)

First priority IP target #M15 consists of an approximately 475 meter long, NE-trending, deep-rooted, strong chargeability (IP) and moderate – strong resistivity feature extending between L16000N and L16500N. The coincident chargeability / resistivity anomaly appears to average approximately 60 meters in width, exhibit a vertical attitude, extend beyond the approximately 225 meter IP survey penetration depth, and exhibit a NE plunge; with the chargeability response being on surface in the southwestern portion of the anomaly and extending at depth to the northeast on L16400N and L16500N. The chargeability component of the anomaly extends at least 100 meters further southwest to the survey boundary on L15900N. Similarly to the #M8 anomaly, this IP target also lies at the junction of an ENE-trending resistivity anomaly with the apparent NNE-trending regional structural zone. Gold-in-soil values of 142 ppb and 164 ppb are spatially associated with the northeastern extremity of the #M15 IP target.

#### #M17 - #M21 IP Targets (Regional Structure Zone)

First priority IP target #M17 consists of an approximately 900 meter long, deep-rooted, very strong chargeability response with intermittent resistivity anomalies lying along the conductive domain underlying the northwestern portion of the survey grid; with the conductive corridor geophysically-inferred to reflect a NNE-trending regional fault zone developed within a package of graphitic sediments. An apparent dilational jog appears to be developed at a left-stepping bend along the NNE to NE-trending IP anomaly. The #M17 anomaly is open-ended with the IP response extending to the survey boundary at both ends on L15900N and L16800N. Anomaly #M21 consisting of a parallel, approximately 550 meters long, second priority IP target lying approximately 150 meters to the east exhibits very similar characteristics to anomaly #M17.

Prospecting efforts appear to indicate that the intermittent, 50 meter to 250 meter long, weak – moderate resistivity responses coincident with the #M17 and neighboring #M21 IP anomalies correspond to banded iron formation rock exhibiting strong patchy to pervasive silica alteration, pyritization, and quartz stockworks. As previously reported in our June 12, 2013 news release, widespread sampling of mineralized banded iron formation rock floats along the #M17 and #M21 anomaly traces yielded 28 samples in the 0.1 g/t gold to 1.0 g/t gold range and a 2.18 g/t gold value from a float sample spatially associated with the apparent dilational jog located at the southwest extremity of the #M17 IP target. In addition, patchy to intermittent anomalous gold-in-soil values in the 50 ppb to 225 ppb range are also spatially associated with the two anomalies; with a strongly anomalous spot gold-in-soil value of 1,525 ppb being associated with the 250 meter long, coincident chargeability / resistivity anomaly at the southwest extremity of the #M17 target.

#### 2014 Exploration Program

Exploration activities on this project from January 1 to December 31, 2014, being the fiscal year for which this annual report is being filed, was limited to Zone 5 reconnaissance geology / prospecting with 144 rock composite chip samples collected, and geological - geophysical modelling geared towards drill target selection.

#### *Future Exploration Plans*

#### 2015 Exploration Program

During 2015, we plan to conduct:

- additional outcrop stripping / trenching followed by detailed geological mapping and channel sampling to further investigate the auriferous occurrences discovered by the latest prospecting efforts and to further define the strike-extensions of the known gold-bearing shear zones; and
- prospecting / reconnaissance geology of the additional prospective IP/Resistivity targets present along the 2.2 km long Zone 5 grid is also planned.

#### 2015 Drilling Program

During the latter part of 2015, we have planned a drill program of approximately 2,000 to 3,000 meters at an estimated cost of \$300,000 to \$500,000.

#### *Gold Intercept Reporting Criteria*

Unless otherwise indicated, “Reported Intercepts” represent core-lengths; true width of mineralization is unknown at this time. Individual sample results were length weighted to yield average composite interval grades as reported. Unless otherwise indicated “Significant Intercepts” satisfy following criteria: greater than (>) 5.0 gram gold x meter product and > 0.5 g/t gold. “Anomalous” signifies at least one intercept > 2.0 gram gold x meter product and > 0.25 g/t gold. Unless otherwise indicated, intercepts are constrained with a 0.25 g/t gold minimum cut-off grade at the top and bottom of the intercept, with no upper cut-off grade applied, and a maximum of five consecutive meters of internal dilution (less than 0.25 g/t gold). All internal intervals yielding above 15 g/t gold are indicated within the intersection.

#### *Quality-Control Program*

We have implemented a quality-control program to ensure best practice in the sampling and analysis of the diamond drill core, reverse circulation (RC) chip samples, saprolite trench and saw-cut channel samples, and soil samples. Drill core is HQ diameter (63.5 millimeters) in upper oxidized material (regolith) and NQ diameter (47.6 millimeters) in the lower fresh rock portion of the hole. Drill core is saw cut and half the core is sampled in standard intervals. The remaining half of core is stored in a secure location. Reverse circulation (RC) chip samples are taken at one meter intervals under dry drilling conditions by experienced geologists, with all samples weighed on site. Saprolite trench samples consist of continuous, horizontal channels collected from a canal excavated along the bottom sidewall of the trench (~ 0.10 meters above floor). All samples are transported in security-sealed bags to ALS Ghana Limited, an ISO 9001:2000 certified laboratory. As of the date of this annual report, a 1,000 gram split of the sample is pulverized to better than 85% passing 75 microns, and analyzed by industry standard 50 gram fire assay fusion with atomic absorption spectroscopy finish. Samples with observed visible gold and/or exhibiting typical Kibi-type granitoid hosted mineralization characterized by liberated, particulate gold grains are pulverized in their entirety to better than 85% passing 75 microns, and analyzed four times by industry standard 50 gram fire assay fusion with atomic absorption spectroscopy finish; with the arithmetic average of the four assays reported. Our company inserts a certified reference standard (low to high grade), analytical blank, and field duplicate sample in every batch of 20 drill core / reverse circulation (RC) chip / trench channel / saw cut channel samples. Validation parameters are established in the database to ensure quality control.

### *Recovery and Sale of Placer Gold*

During 2010 and 2011, we negotiated with independent Ghanaian contract miners and operators in connection with their placer gold recovery operations at our Kibi project on fixed payment terms to our company. During 2010, 1,904.18 ounces of gold was recovered and produced by the contract miners from our Kibi project for which we received and sold 361.80 ounces of gold for gross proceeds of \$461,649.62. During 2011, 1,617.39 ounces of gold was recovered and produced by the contract miners at this project for which we received and sold 307.30 ounces of gold for gross proceeds of \$422,944.73. During 2012, we sold 26.53 ounces of gold for gross proceeds of \$44,206.94 which was the remaining payment we had received from the contract miners during their 2010 and 2011 placer gold recovery operations at this project. There was no placer gold recovery operations carried out at this project during 2012 through to the end of our fiscal year.

### *Mineral Reserves*

No mineral reserves have been identified on our Kibi project.

### *Apapam Mining Lease*

XG Mining's interest in our Kibi project was previously held by a prospecting license granted by the Government of Ghana on March 29, 2004 covering a licensed area of 33.65 square kilometers. In May 2008, XG Mining applied to the Government of Ghana to convert the prospecting license to a mining lease. When our application received parliamentary approval, the Government of Ghana granted and registered the Apapam mining lease to XG Mining on the following terms and conditions.

The Apapam mining lease is dated December 18, 2008 and is owned and controlled by our company, as to a 90% interest; and is registered to our subsidiary, XG Mining, while the remaining 10% free carried interest in XG Mining is held by the Government of Ghana. The Apapam mining lease covers a lease area of 33.65 square kilometers and is located in the East Akim District of the Eastern Region of Ghana. The Apapam mining lease has a seven year term expiring on December 17, 2015 and can be renewed for a further 30 year term in accordance with the Mining Act (Ghana), by making application not less than six months before the expiration of this mining lease. We have been granted surface and mining rights by the Government of Ghana to work, develop and produce gold in the Apapam lease area (including the processing, storing and transportation of ore and materials).

With respect to the Apapam mining lease, we are:

- required to pay applicable taxes and annual rental fees to the Government of Ghana in the amount of approximately \$19 (GH¢32.80); and
- committed to pay a royalty in each quarter to the Government of Ghana, through the Commissioner of Internal Revenue, based on the production for that quarter within 30 days from the quarter end as well as a royalty on all timber felled in accordance with existing legislation;
- required to:
  - commence commercial production of gold within two years from the date of the mining lease;
  - conduct our operations with due diligence, efficiency, safety and economy, in accordance with good commercial mining practices and in a proper and workmanlike manner, observing sound technical and engineering principles using appropriate modern and effective equipment, machinery, materials and methods and paying particular regard to the conservation of resources, reclamation of land and environmental protection generally; and
  - mine and extract ore in accordance with preceding paragraph, utilizing methods which include dredging, quarrying, pitting, trenching, stoping and shaft sinking in the Apapam lease area.

We are further required to furnish to the government authorities of Ghana, comprised of the Minister of Lands, Forestry and Mines, the Head of the Inspectorate Division of the Minerals Commission, the Chief Executive of the Minerals Commission and the Director of Ghana Geological Survey (the "government authorities"), with technical records which include:

- a report in each quarter not later than 30 days after the quarter end to the government authorities in connection with quantities of gold won in that quarter, quantities sold, revenue received and royalties payable;
- a report half-yearly not later than 40 days after the half year end to the government authorities summarizing the results of operations during the half year and technical records, which report shall also contain a description of any geological or geophysical work carried out by our company in that half year and a plan upon a scale approved by the Head of the Inspectorate Division of the Minerals Commission showing dredging areas and mine workings;
- a report in each financial year not later than 60 days after the end of the financial year summarizing the results of our operations in the lease area during that financial year and the technical records, which report shall further contain a description of the proposed operations for the following year with an estimate of the production and revenue to be obtained;
- a report not later than three months after the expiration or termination of the Apapam mining lease, to the government authorities giving an account of the geology of the lease area including the stratigraphic and structural conditions and a geological map on scale prescribed in the Mining Regulations;
- a report not less than 21 days in advance of the proposed alteration, issuance or borrowing to the government authorities (except for the Head of the Inspectorate Division of the Minerals Commission and the Director of Ghana Geological Survey) of any proposed alteration to our regulations,
- a report not less than 21 days in advance of the proposed alteration, issuance or borrowing to the government authorities (except for Head of the Inspectorate Division of the Minerals Commission and the Director of Ghana Geological Survey) on the particulars of any fresh share issuance or borrowings in excess of an amount equal to the stated capital of XG Mining;
- a copy of XG Mining's annual financial reports to the government authorities (except for the Head of the Inspectorate Division of the Minerals Commission and the Director of Ghana Geological Survey) including a balance sheet, profit and loss account and notes thereto certified by a qualified accountant, who is a member of the Ghana Institute of Chartered Accountants, not later than 180 days after the financial year end; and
- such other reports and information in connection with our operations to the government authorities as they may reasonably require.

We are entitled to:

- surrender all of our rights in respect of any part of the lease area not larger in aggregate than 20% of the lease area by providing not less than two months' notice to the Government of Ghana;
- surrender a larger part of the lease area by providing not less than 12 months' notice; and
- terminate our interest in the Apapam mining lease if the mine can no longer be economically worked, by giving not less than nine months' notice to the government authorities, without prejudice to any obligation or liability incurred before such termination.

The Government of Ghana has the right to terminate our interest in the Apapam mining lease if we:

- fail to make payments when due;
- contravene or fail to comply with terms and conditions of the mining lease (however, we have 120 days to remedy from the notice of such event);
- become insolvent or commit an act of bankruptcy; or
- submit false statements to the government authorities.

The Apapam mining lease further provides that XG Mining shall report forthwith to the government authorities if it discovers any other mineral deposits apart from gold and silver in the lease area, who in turn will provide XG Mining with the first option to prospect further and to work the said minerals subject to satisfactory arrangements made between XG Mining and the government authorities.

## ***Kwabeng Project***

Our Kwabeng Project is also referred to in this annual report as the Kwabeng concession and is comprised of 44.76 square kilometers.

### *Location and Access*

The Kwabeng concession is located in the East Akim District of the Eastern Region of Ghana, along the western, lower flank and base of the Atewa Range, approximately 10 kilometers north-northwest of our Kibi project which is located on the Apapam concession. The eastern boundary of the Kwabeng concession is demarcated by the Atewa Forest Reserve.

Access to our Kwabeng project can be gained by driving northwest from Accra on the Accra-Kumasi Trunk Road, for approximately 110 kilometers until arrival at Anyinam, making a left hand turn at the road sign that reads "Kwabeng" in the middle of the Town of Anyinam and driving in a southwesterly direction approximately 10 kilometers until arriving at a sign reading "Xtra-Gold Mining" before reaching the town of Kwabeng.

### *Historical Work*

There has been very little exploration for lode source gold deposits at our Kwabeng and Pameng projects; however, there has been detailed exploration for placer gold deposits. Prior to the recovery of placer gold from our Kwabeng project during 2007 and 2008 and our Kibi and Pameng projects during 2010 and 2011, these projects contained approximately 12,583,000 bank cubic meters of auriferous gravels. As at the date of this annual report, historical work indicates that there are approximately 5,536,520 bank cubic meters of mineralized material remaining on our Kibi, Kwabeng and Pameng projects at an average grade of 0.568 grams of gold/bank cubic meters. In addition to the mineralized material, there is potential to define reserves with further exploration.

The placer gold deposit currently located at our Kwabeng concession was mined by the former owner in the early 1990's for 15 months and produced approximately 16,800 ounces of gold before operations were ceased due to mining difficulties as noted hereunder. The placer gold is contained in a gravel deposit distributed across the floor of the river valleys west of the Atewa Range which can easily be excavated.

### *Prior Exploration by Xtra-Gold*

#### 2012 Exploration Program

No significant work program was carried out by our company on the Kwabeng concession during 2012.

#### 2013 Exploration Program

In November 2013, we announced the prospecting discovery of 2 new gold targets on our Kwabeng concession, located in the Kibi Gold Belt. The Kwabeng concession is located approximately 10 kilometers north-northwest of our flagship Kibi project. Highlights of sampling results for the newly identified Bomaa and Abodwosu prospects reported include:

- 4 prominent clusters of gold bearing rock floats and/or subcrops identified over an approximately 1.2 kilometer distance, with 64 (59%) out of 109 composite chip samples from mineralized argillite floats / subcrops returning gold values above 0.1 g/t, including gold values reaching up to 20.7 g/t and 6.53 g/t (Bomaa Target);
- scout soil geochemical sampling yielding gold-in-soil values attaining 2,230 ppb, 1,150 ppb, and 606 ppb spatially associated with a 275 meter long by a 20 meters to 60 meters wide cluster of mineralized argillite floats and/or subcrops (Bomaa Target);
- saw-cut channel sample composite grading 1.75 g/t gold over 5.91 meters, including 3.66 g/t gold over 1.51 meters, in sample string #CSKA001-CSKA003 from outcrop exposure of silicified argillite in contact with quartz vein (Abodwosu Target).

The sampling results announced for the newly identified Bomaa and Abodwosu prospects correspond to an ongoing grassroots exploration program targeting an approximately 8 kilometer by 1 kilometer area along the eastern margin of the Kwabeng concession. The prospecting area lies along the northwestern segment of the Kibi Gold Belt, along the western foothills of the Atewa Range, and encompasses a regional airborne geophysics ("VTEM")-inferred contact between conductive (graphitic) and non-conductive metasedimentary rock units. A total of 136 rock float / subcrop composite chip samples, 4 stripped outcrop saw-cut channel samples, and 92 scout soil geochemical samples were collected from early August to late October 2013. The present results also include 18 previously unreleased rock composite chip samples collected during first pass reconnaissance prospecting in 2006.

### Bomaa Target

The newly identified Bomaa target is characterized by 4 prominent clusters (i.e. trains) of gold bearing rock floats and/or subcrops spanning over an approximately 1.2 kilometer distance, with individual float / subcrop clusters extending over approximate areas of: 350 meters long by 30 meters to 50 meters wide; 275 meters by 20 meters to 60 meters; 250 meters by 20 meters to 40 meters; and 50 meters by 30 meters. The Bomaa gold bearing float / subcrop trend appears to be spatially related to a prominent NE-trending resistive lineament outlined by the VTEM survey; and bounded by a pair of interpreted faults evident in the regional aeromagnetic signature.

A total of 109 rock composite chip samples were collected from the 4 mineralized float / subcrop clusters, including 18 samples from the 2006 first pass reconnaissance prospecting. Of the 109 composite chip samples collected: 13 (12%) yielded less than 0.01 g/t gold; 32 (29%) returned gold values from 0.01 g/t to 0.1 g/t; 39 (36%) between 0.1 g/t and 1.0 g/t gold; 18 (16.5%) between 1 g/t and 2 g/t gold; 5 (4.5%) between 2 g/t and 5 g/t gold; and 2 samples (<2%) returned values over 5 g/t gold (6.53 g/t and 20.7 g/t). The mineralized floats / subcrops are typically sub-angular to angular slab-shaped blocks capable of attaining dimensions of up to 3.5 meters by 1.5 meters by 1 meter and consisting almost entirely of strongly silicified argillite metasedimentary rock exhibiting quartz stockworks and disseminated pyrite and crystalline hematite.

The 2 most prominent mineralized float / subcrop clusters were covered by scout geochemical sampling grids consisting of 3 x 200 meter long cross-lines at 75 meters spacing with 25 meters sampling stations. The central portion of the Bomaa North Cluster (i.e. 275 meters x 20 meters to 60 meters) characterized by stronger mineralized float / subcrop concentrations yielded a strongly anomalous gold-in-soil signature over a 50 meter by 75 meter area, including high gold values of: 145 ppb, 206 ppb, 230 ppb, 606 ppb, 1,150 ppb, and 2,230 ppb. The remaining 9 soil samples directly over the rest of the float / subcrop train yielded gold-in-soil values in the 26 ppb to 79 ppb range. Similarly, the central portion of the Bomaa South Cluster (i.e. 350 meters x 30 meters to 50 meters) corresponding to an approximately 30 meter by 15 meter area of stronger float / subcrop concentration returned a strongly anomalous gold-in-soil value of 260 ppb; while the remaining 14 sample sites directly over the rest of the mineralized float train yielded gold-in-soil values in the 16 ppb to 67 ppb range.

### Abodwosu Target

Similarly, the Abodwosu prospect, located approximately 2.5 kilometers northeast of the Bomaa target, consists of strongly silicified argillite metasedimentary rock in contact with an easterly trending quartz vein; with the altered argillite exhibiting quartz stockworks and disseminated pyrite and crystalline hematite. Saw-cut channel sample string #CSKA001-CSKA003 collected from a small, hand-stripped outcrop returned a composite grade of 1.75 g/t gold over 5.91 meters, including 3.66 g/t gold over 1.51 meters from the silicified argillite wall rock. Due to irregular bedrock surface, the reported intercepts are sample intersection lengths irrespective of mineralization topography and may not represent true width of mineralization.

### 2014 Exploration Program

In May 2014, we announced prospecting and soil geochemistry results for our recently discovered Bomaa Gold Target on our Kwabeng Concession. Highlights of prospecting and sampling results for the Bomaa prospect reported today include:

- additional prospecting indicates that the 4 individual mineralized rock float and/or subcrop clusters originally identified form part of a continuous train traceable in a meandering pattern over an approximately 2.8 kilometer distance; with the mineralized rock float / subcrop train appearing to mimic the trace of a variably folded, auriferous argillite metasedimentary rock unit;
- 208 (65%) out of the 317 composite chip samples from the Bomaa mineralized argillite rock float and/or subcrop train yielded gold values above 0.1 grams per tonne ("g/t"); with 79 (25%) returning values above 1 g/t gold, including maximum gold values of 20.7 g/t, 26.8 g/t, and 35.4 g/t;
- stronger mineralized rock float / subcrop concentrations, along with stronger quartz stockwork / silicification intensities and higher gold grades, centered on tighter fold closures along the apparent argillite host rock unit;
- Bomaa North mineralized rock float and/or subcrop cluster extends over an approximately 325 meter distance along an inferred open fold structure developed along the apparent auriferous argillite rock unit; with 24 (34%) out of 71 composite chip samples from mineralized argillite floats / subcrops returning values above 1 g/t gold, including high gold values of 7.24 g/t, 11.55 g/t, 26.8 g/t, and 35.4 g/t;
- strong gold-in-soil anomaly closely mimics the Bomaa North inferred fold structure developed along the apparent auriferous argillite rock unit; with highly elevated gold-in-soil values of 606 parts per billion ("ppb), 1,150 ppb, and 2,230 ppb spatially associated with high-grade floats / subcrops.

The Kwabeng concession prospecting results announced on May 6, 2014 encompass a compilation of 317 rock float and/or subcrop composite chip samples, including: 208 new samples corresponding to a Bomaa prospect follow up prospecting program conducted from late November 2013 to mid-March 2014 to further delineate the 4 previously identified mineralized rock float / subcrop trains (clusters) and to ground check gold-in-soil anomalies yielded by the recently completed 10.5 line-kilometer Bomaa soil geochemistry survey and 109 previously reported samples from earlier Bomaa prospecting efforts. The present soil geochemistry results encompass 482 samples, including 63 previously reported scout soil samples testing the Bomaa North and Bomaa South targets. Refer to our November 21, 2013 news release for details regarding these previously reported composite chip and soil samples.

Additional prospecting and sampling efforts indicate that the 4 individual mineralized rock float and/or subcrop clusters originally identified appear to form part of a continuous train traceable in a meandering pattern over an approximately 2.8 kilometer distance; with the mineralized rock float / subcrop train appearing to mimic the trace of a NE-trending, variably folded, auriferous argillite metasedimentary rock unit. The fact that the auriferous float train tends to exhibit relatively tight / linear boundaries, cross-cuts topographical relief, essentially consists of a single rock type, and exhibits a close spatial relationship with gold-in-soil anomalies appears to further indicate the relatively in situ or weakly dispersed nature of the mineralized floats. The apparent mineralized argillite rock unit remains open along strike with gold-bearing rock floats extending beyond the northeast and southwest extremities of the Bomaa control grid. Rock float / subcrop sampling and soil geochemistry compilation maps depicting the trace of the apparent auriferous argillite rock unit have been posted on our website.

Of the 317 composite chip samples collected in the delineation of the Bomaa mineralized float and/or subcrop train: 46 (15%) yielded less than 0.01 g/t gold; 63 (20%) returned gold values from 0.01 g/t to 0.1 g/t; 129 (40%) between 0.1 g/t and 1.0 g/t gold; 38 (12%) between 1 g/t and 2 g/t gold; 31 (10%) between 2 g/t and 5 g/t gold; and 10 samples (3%) returned values over 5 g/t gold, including maximum gold values of 20.7 g/t, 26.8 g/t, and 35.4 g/t. The mineralized floats / subcrops are typically sub-angular to angular slab-shaped blocks capable of attaining dimensions of up to 3.5 meters by 1.5 meters by 1 meter and dominantly consist of strongly silicified argillite metasedimentary rock exhibiting quartz stockworks and disseminated pyrite and/or hematite pseudomorphs after magnetite.

The mineralized rock float and/or subcrop train attains maximum widths of 50 meters to 115 meters in association with the tighter fold closures developed along the apparent auriferous argillite host rock unit while the float train corresponding to the gently folded / undulating segments of the mineralized argillite rock unit tends to average 20 meters to 30 meters in width. Similarly stronger mineralized rock float / subcrop concentrations, along with stronger quartz stockwork / silicification intensities and higher gold grades, tend to occur in association with the tighter fold closures along the apparent argillite host rock unit; with the stronger float / subcrop concentrations appearing to reflect the more resistive nature of the strongly silicified argillite material. Over its approximately 2.8 kilometer trace, the apparent mineralized unit is highly variable in terms of soil geochemical signature; ranging from little or no soil geochemical expression to a very strong gold-in-soil anomaly exhibiting a close spatial association with the priority Bomaa North fold target.

#### Bomaa North / Bomaa South Priority Targets

Clusters of higher grade rock floats and/or subcrops in the 1 g/t to 5 g/t gold range occur along most of the approximately 2.8 kilometer trace of the apparent auriferous argillite rock unit but the Bomaa North and Bomaa South clusters stand out in terms of float / subcrop concentration, areal extent, stockwork / alteration intensity, and higher gold grades with their prominence appearing to reflect their settings along apparent fold structures.

The Bomaa North mineralized rock float and/or subcrop cluster extends over an approximately 325 meter distance along an inferred open fold structure developed along the apparent auriferous argillite rock unit; with the float / subcrop train averaging 30 meters to 50 meters in width but swelling to approximately 115 meters along the inferred fold axis. The northern limb of the apparent fold is characterized by an approximately 130 meter by 30 meter to 50 meter zone of stronger mineralized rock float and/or subcrop concentrations with composite chip sampling of floats / subcrops within the southern half of the zone consistently yielding elevated gold grades, including high gold values of 7.24 g/t, 11.55 g/t, 26.8 g/t, and 35.4 g/t.

Of the 71 composite chip samples collected from the Bomaa North mineralized float and/or subcrop cluster: 21 (29%) yielded less than 0.1 g/t gold; 26 (37%) returned gold values from 0.1 g/t to 1.0 g/t; 6 (8.5%) between 1.0 g/t and 2.0 g/t gold; 12 (17%) between 2 g/t and 5 g/t gold; and 6 samples (8.5%) returned values over 5 g/t gold, including maximum gold values of 26.8 g/t and 35.4 g/t. A strong gold-in-soil anomaly closely mimics the apparent fold structure developed along the inferred auriferous argillite rock unit; with highly elevated gold-in-soil values of 606 ppb, 1,150 ppb, and 2,230 ppb spatially associated with high-grade floats / subcrops within the southern portion of the aforementioned stronger float / subcrop zone.

The approximately 350 meters long by 20 meters to 50 meters wide Bomaa South mineralized rock float and/or subcrop cluster appears to be structurally controlled by an inferred, south trending isoclinal fold developed along the apparent auriferous argillite rock unit; with the fold structure opening up at its midway point with a west trending divergent limb. A zone of stronger mineralized float / subcrop concentrations appears to extend out from the fold opening over approximately 125 meter distances along the structure's northern and western limbs. This inferred structural zone returned high gold values of 4.62 g/t, 5.83 g/t, and 6.53 g/t from rock float / subcrop composite chip sampling; and a single strongly anomalous gold-in-soil value of 260 ppb.

The remaining extent of the Bomaa South target is geochemically characterized by a lower amplitude gold-in-soil signature in the 20 ppb to 67 ppb gold range exhibiting a close spatial relationship with the inferred trace of the auriferous argillite rock unit. Prospecting failed to yield any rock floats along the approximately 200 meter long, NW-trending, weak to strong gold-in-soil anomaly lying along the northwest flank of the Bomaa South target area but this soil anomaly may reflect a yet to be delineated fold structure along the inferred argillite host rock unit.

#### *Future Exploration Plans for 2015*

As at the date of this annual report, during 2015, we have planned the following exploration activities at this project:

- ongoing geological compilation, prospecting, soil geochemical sampling, and scout trenching to identify and/or further advance grassroots targets; and
- scout trenching focusing on the subsurface testing of the priority Bomaa North and Bomaa South "fold targets" along the mineralized rock float / subcrop train-inferred auriferous argillite rock unit.

#### *Recovery and Sale of Placer Gold*

As at December 31, 2014, we have sold an aggregate of 11,636.34 ounces of placer gold recovered from the mineralized material at our Kwabeng project during 2007, 2008, 2013 and the fiscal year. We did not have an exclusive agreement with any company or entity to buy the placer gold that was recovered. No placer gold recovery operations were conducted at this project during 2010 through 2012.

#### *Resumption of Placer Gold Recovery Operations at our Kwabeng Project*

As at the date of this annual report, we have resumed placer gold recovery operations at our Kwabeng project. As stated elsewhere in this annual report, we plan to focus our efforts and our financial resources primarily on planned exploration activities on our Kibi project (see "Kibi Project – 2015 Exploration Program"). The gold price (approximately \$1,195.75 per ounce as at March 27, 2015) is significantly greater compared to the gold price during the previous mining effort by the former operator of this project (approximately \$300 per ounce). On the basis of an annual recovery of placer gold of approximately 360,000 bank cubic meters, as at the date of this annual report, we anticipate that recovery of placer gold operations at this project could be sustained for 10 years however, this will depend upon numerous factors including the grade and commercial recoverability of the mineralized material and the selling gold price at the relevant time.

#### *Former Ownership*

In the early 1990's, the former mining lessee invested approximately \$24,000,000 to open and operate a mine at the Kwabeng concession. The mining operation lasted for 15 months and 16,800 ounces of gold was produced before the mine was shut down due to a poor gold price, mining methodology and a lack of funds to continue mining operations.

#### *Mineral Reserves*

No mineral reserves have been identified on our Kwabeng project.

#### *Kwabeng Mining Lease*

The Kwabeng mining lease is dated July 26, 1989 and is owned and controlled by our company, as to a 90% interest; and is registered to our subsidiary, XG Mining, while the remaining 10% free carried interest in XG Mining is held by the Government of Ghana. The Kwabeng mining lease covers a lease area of 44.76 square kilometers and has a 30 year term expiring on July 26, 2019. We have been granted surface and mining rights by the Government of Ghana to work, develop and produce gold in the lease area (including processing, storing and transportation of ore and materials). See "Kibi Project – Apapam Mining Lease" for identical mining lease terms for the Kwabeng mining lease, except for the name of the mining lease, the lease registration particulars, the lease area and annual rental fees payable in the amount of approximately \$19 (GH¢32.80).

The Kwabeng mining lease further provides that XG Mining shall report forthwith to the government authorities if we discover any other minerals in the Kwabeng lease area and will provide XG Mining with the first option to prospect further and to work the said minerals subject to satisfactory arrangements made between XG Mining and the government authorities.

#### *Ancillary Operations*

##### Field Camp at Kwabeng Project

Our company possesses our fully operational and well maintained field camp comprised of an administrative office, living quarters and workshop facilities located on our Kwabeng concession which is accessible by paved road located approximately two hours drive from the capital city of Accra. Our field camp is the base of operations for the majority of our administrative activities and all of our exploration activities. All of our senior Ghanaian staff is accommodated in the field camp with our junior staff located in the surrounding towns and villages. XG Mining has rehabilitated the field camp which included installation of a communication system for Internet access, electronic mail, telephone and facsimile service and minor construction repairs. Our field camp is within cell phone coverage and is supplied with electricity from the national power grid, which lines run along the road accessing our field camp.

##### Fuel and Spare Parts Supply

We deliver fuel from Accra by tanker and discharge the fuel into and store the fuel in the fuel tank facility located within our field camp. We purchase spare parts for all of our equipment either locally or from suppliers overseas and store such parts in the secure spare parts warehouse located at our field camp.

##### Workspace

There is adequate office space at our field camp to accommodate our administrative, geology, surveying, equipment maintenance and other departments, as well as their technical support and our laborers.

##### Equipment Maintenance

Any maintenance of our excavators or other equipment which we may own will be carried out in the workshops located within our field camp.

#### *Capital Expenditure*

We do not anticipate any significant capital expenditures in the next 12 months in connection with placer gold recovery operations.

#### ***Pameng Project***

Our Pameng project is also referred to in this annual report as the Pameng concession and is comprised of 40.51 square kilometers.

The Pameng concession is located in the East Akim District of the Eastern Region of Ghana, along the western, lower flank and base of the Atewa Range, approximately 2 kilometers west-northwest of our Kibi project which is located on the Apapam concession. Access to our Pameng project can be gained by driving northwest from Accra on the Accra-Kumasi Trunk Road for approximately 125 kilometers until arrival at the village of Pameng where there is a road sign reading "Pameng". Make a left hand turn at the Pameng sign and drive southwest approximately 2 kilometers to reach our Pameng concession. Our Pameng concession is located approximately 12.5 kilometers south-southwest from our field camp.

#### *Historical Work*

To the best of our knowledge, the Pameng concession has never been subjected to modern, systematic exploration for lode gold mineralization.

#### *Prior Exploration by Xtra-Gold*

##### 2012 to 2013 Exploration Programs

No significant work program was carried out during 2012. Lode gold exploration efforts to date by our company on our Pameng project have been limited to a few reconnaissance geology/prospecting traverses. No significant lode gold exploration work was conducted in 2013 on this project.

## 2014 Exploration Program

### Pameng Concession Soil Sampling Program

In May 2014, we announced that in mid-March 2014, an approximately 5.6 kilometer long by 1 to 3 kilometer wide control grid (i.e. "Pameng Grid") encompassing approximately 47 kilometers of cross-lines was initiated for the systematic soil geochemical sampling and prospecting of an approximately 10 square kilometer area covering the eastern portion of the Pameng concession along the western flank of the Atewa Range; with the grid subsequently expanded by 21 line-kilometers to cover additional prospective geophysical and structural geology targets. The final grid design covering an approximately 13.5 square kilometer area was completed in late July 2014 with a total of approximately 68 line-kilometers of cross-lines established at 200 meter spacing and 2,324 soil samples collected at 25 meter station spacing. A total of 202 rock composite chip samples were also collected on the Pameng grid as part of a prospecting program focussing on the ground proofing of geophysical and structural geology targets.

A second soil geochemical sampling grid (i.e. "Akropong Grid") extending over an approximately 2.3 square kilometer area covering a prospective geophysical / structural geology target was also implemented on the Pameng concession during the 2014 reporting year. A total of approximately 12.5 line-kilometers of cross-lines were established at 200 meter spacing and 529 soil samples collected at 25 meter station spacing on the Akropong grid from mid-September to late November 2014. With a view to conserving our company's working capital, management decided to postpone the laboratory analyses of the soil and rock samples from the Pameng and Akropong grids for the fiscal year.

### *Future Exploration Plans for 2015*

As at the date of this annual report, during 2015, we have planned the following exploration activities at this project:

- ongoing geological compilation, prospecting, soil geochemical sampling, and scout trenching to identify and/or further advance grassroots targets.

### *Recovery and Sale of Placer Gold*

During 2010 and 2011, we negotiated with independent Ghanaian contract miners and operators in connection with their placer gold recovery operations at our Pameng project on fixed payment terms to our company. During 2010, 4,719.76 ounces of gold was recovered and produced by the contract miners from our Pameng project for which we received and sold 896.76 ounces of gold for gross proceeds of \$1,128,451.34. During 2011, 5,621.16 ounces of gold was recovered and produced by the contract miners at this project for which we received and sold 1,068.02 ounces of gold for \$1,489,058.18. During 2012, we sold 52.81 ounces of gold for gross proceeds of \$87,997.30 which was the remaining payment we had received from the contract miners during their 2010 and 2011 placer gold recovery operations at this project. There was no placer gold recovery operations carried out at this project during 2012 through to the end of our fiscal year.

### *Mineral Reserves*

No mineral reserves have been identified on our Pameng project.

### *Pameng Mining Lease*

The Pameng mining lease is dated July 26, 1989 and is owned and controlled by our company, as to a 90% interest; and is registered to our subsidiary, XG Mining, while the remaining 10% free carried interest in XG Mining is held by the Government of Ghana. The Pameng mining lease covers a lease area of 40.51 square kilometers and has a 30 year term expiring on July 26, 2019. We have been granted surface and mining rights by the Government of Ghana to work, develop and produce gold in the lease area (including processing, storing and transportation of ore and materials). See "Kibi Project – Apapam Mining Lease" for identical mining lease terms for the Pameng mining lease, except for the name of the mining lease, the lease registration particulars, the lease area and annual rental fees payable in the amount of approximately \$19 (GH¢32.80).

The Pameng mining lease further provides that XG Mining shall report forthwith to the government authorities if we discover any other minerals in the Pameng lease area, and will provide XG Mining with the first option to prospect further and to work the said minerals subject to satisfactory arrangements made between XG Mining and the government authorities.

### ***Banso Project***

Our Banso project is also referred to in this annual report as the Banso concession and is comprised of 55.28 square kilometers.

#### *Location and Access*

The Banso concession is located in the East Akim District of the Eastern Region of Ghana, approximately 7 kilometers south-southwest from our field camp.

Both of the Banso concession and the Muoso concession lie in the Kibi-Winneba Gold Belt on the western flanks of the prominent Atewa Range, which is underlain by Birimian greenstone, phyllites, meta-tuffs, epi-diorite, meta-greywacke and chert. The valleys, over which this concession is located, are underlain by thick sequences of Birimian metasediments. The north-western end of the Atewa Range is the type-locality for the Birimian metasediments and metavolcanics. The area where both of our Banso and Muoso projects are located is one of the oldest placer gold mining areas of Ghana, dating back many centuries.

Access to the Banso concession is gained by driving northwest approximately 136 kilometers from Accra on the paved Accra-Kumasi Trunk Road.

#### *Historic Work*

Historical exploration and mining has mainly focused on placer gold. Before the acquisition of our interest in the Banso concession, to the best of our knowledge and based on mining records in Ghana, there has never been a detailed documented bedrock exploration program conducted on this concession.

#### *Prior Exploration by Xtra-Gold*

##### 2012 to 2014 Exploration Programs

No significant lode gold exploration work was conducted by our company on our Banso project during 2012 through to the end of our fiscal year.

#### *Exploration Activities by Buccaneer Gold Corp. in 2012 and 2013*

##### 2012 Exploration

Buccaneer Gold Corp. conducted exploration activities on this project during 2012 as part of the criteria to meet the required exploration expenditures to earn the 55% interest in our Banso project. During 2012, Buccaneer Gold Corp. completed a drill program on this project and on our Muoso project. The Buccaneer drill program was designed to test several drill targets identified on the Banso and the Muoso concessions (see the results of the drill program under the "Muoso Project").

##### 2013 Exploration

During the first few months of 2013, exploration activities were limited to early stage trenching and sampling by Buccaneer Gold Corp.

In April 2013, Buccaneer Gold Corp. ceased all exploration activities at this project to conserve capital due to market conditions.

##### 2014 Exploration

There was no exploration activity conducted on this project by our company or by Buccaneer Gold Corp. in 2014.

#### *Future Exploration Plans for 2015*

As at the date of this annual report, we have not planned to conduct any exploration activities at this project during the next 12 months, however, we may consider doing so at a later date. As at the date of this annual report, no exploration activities have been planned by Buccaneer Gold Corp. for 2015, however, they may decide to do so at a later date.

#### *Mineral Reserves*

No mineral reserves have been identified on our Banso project.

### *Banso Mining Lease*

The Banso mining lease is dated January 6, 2011 and is owned and controlled by our company, as to a 90% interest; and is registered to XG Mining, while the remaining 10% free carried interest in XG Mining is held by the Government of Ghana. The Banso mining lease covers a lease area of 51.67 square kilometers and has a 14 year term expiring on January 5, 2025. We have been granted surface and mining rights by the Government of Ghana to work, develop and produce gold in the lease area (including processing, storing and transportation of ore and materials). See “Kibi Project – Apapam Mining Lease” for identical mining lease terms for the Banso mining lease, except for the name of the mining lease, the lease registration particulars, the lease area and annual rental fees payable in the amount of approximately \$148 (GH¢260.00) .

The Banso mining lease further provides that XG Mining shall report forthwith to the government authorities if we discover any other minerals in the Banso lease area, and will provide XG Mining with the first option to prospect further and to work the said minerals subject to satisfactory arrangements made between XG Mining and the government authorities.

### ***Muoso Project***

Our Muoso project is also referred to in this annual report as the Muoso concession and is comprised of 55.28 square kilometers.

#### *Location and Access*

The Muoso concession is located in the East Akim District of the Eastern Region of Ghana, approximately 1 kilometer north from our field camp.

Access to our Muoso project is gained by driving northwest approximately 80 kilometers from Accra on the paved Accra-Kumasi Trunk Road. This highway passes through the easternmost portion of the Muoso concession and shares a common boundary with the Kwabeng concession. From the town of Osino, one would drive northwest approximately 5 kilometers to the town of Anyinam, from which an all weather direct road heads south through the centre of the Muoso concession and onto the Banso concession, approximately 15 kilometers south of the Accra-Kumasi Trunk Road. The town of Muoso is approximately 10 kilometers from Anyinam. A number of dirt roads, trails and footpaths offer additional access to this concession.

#### *Historic Work*

Historical exploration and mining has mainly focused on placer gold. Before the acquisition of our interest in the Muoso concession, to the best of our knowledge and based on mining records in Ghana, there has never been a detailed documented bedrock exploration program conducted on this concession.

#### *Prior Exploration by Xtra-Gold*

##### 2012 to 2014 Exploration Programs

No significant lode gold exploration work was conducted by our company on our Muoso project during 2012 through to the end of our fiscal year.

#### *Exploration Activities by Buccaneer Gold Corp. in 2012 and 2013*

Buccaneer Gold Corp. conducted exploration activities on this project during 2012 as part of the criteria to meet the required exploration expenditures to earn the 55% interest, including building a road in preparation for drilling and some limited trenching.

The hardrock, lode gold exploration technical information contained in this annual report relating to the exploration activities conducted by Buccaneer Gold Corp. on our Banso and Muoso projects during 2012 is based upon information prepared by or the preparation of which was supervised by Dr. Guy Della Valle, P.Geol., Vice-President, Exploration of Buccaneer Gold Corp.

##### 2012 Drill Program

Buccaneer Gold Corp.’s drill program, comprised of 30 drill holes totaling 5,123.2 meters of drilling, was completed from January 3 to May 21, 2012 on the Muoso and Banso concessions. The drill program was designed to test the presence of gold mineralization indicated by anomalous samples in soil and trenches in several drill targets identified on the Muoso and Banso concessions.

The initial drill target on the Muoso concession was a mineralized shear zone identified in trenches, over strong soil geochemical anomalies combined with geophysical interpretations.

Three zones were selected; namely Muoso East, Banzo South and Banzo North.

Muoso East: quartz stockwork systems hosted in diorite and hanging wall volcano-sedimentary units, typical of Kibi mineralization. The three drill targets tested in Muoso East encountered a similar type of mineralization over 1.8 kilometer strike length.

Banzo North: gold bearing shear zone in a quartz feldspar porphyry intrusion containing disseminated sulphide and sulphide bearing quartz veins.

Banzo South: sedimentary hosted gold mineralization in sandstone, conglomerate and phyllite units, with minor quartz veining and pyrite stringers.

<b>Kibi Gold Project - Significant Drill Intercepts Muoso and Banzo Concessions</b>						
<b>Hole #</b>	<b>Including</b>	<b>From (meters)</b>	<b>To (meters)</b>	<b>Interval (meters)</b>	<b>g/t Au</b>	<b>Mineralized Zone</b>
AN12-01	Including	69.2	75.6	6.4	0.91	Muoso East Z1
		72.6	74.6	2	1.81	
AN12-02	Including	86.3	90.3	4	1.6	Muoso East Z1
		.3	87.3	1	2.98	
AN12-04	Including Including	82.3	85.2	3	2.32	Muoso East Z1  dd
		128.3	130.3	2	1.17	
		132.3	138.3	6	2.56	
		133.3	135.3	2	3.36	
		137.3	138.3	1	3.90	
AN12-05	Including	74.5	76	1.5	1.2	Muoso East Z1
		87	92	5	1.54	
		89	90	1	3.19	
		153	154	1	2.88	
AN12-06	Including	40.0	59.5	19.5	1.93	Muoso East Z1
		46.0	47.5	1.5	7.52	
AN12-07		5.3	9.9	4.6	2.98	Muoso East Z1
		66.8	68.4	1.6	1.23	
AN12-08		18.4	20.9	2.5	6.27	Muoso East Z1
		30.4	31.4	1	3	
		41.6	43.1	1.5	1.53	
		67.1	68.1	1	1.01	
AN12-09		124.8	125.5	0.7	0.77	Muoso East Z1
		192.5	194.5	2	0.63	
AN12-10		53.1	55.1	2	1.05	Muoso East Z3
		64.5	67.1	2.6	1.89	
AN12-11		64.6	65.3	0.7	1	Muoso East Z3
		71.3	73	1.7	1.48	
		100.6	101.6	1	8.74	

Hole #	Including	From (meters)	To (meters)	Interval (meters)	g/t Au	Mineralized Zone
AN12-12		116	117.5	1.5	3.65	Muoso East Z3
AN12-13		77.7	78.7	1	0.54	Muoso East Z3
		125.7	127.7	2	44.76	
		137.7	138.7	1	0.76	
AN12-15		48.3	60.3	12	1.7	Muoso East Z2
AK12-18		32.5	34.5	2	1.23	Banso North
		81.4	82.4	1	1.22	
		93.4	94.4	1	1.31	
		96.4	97.4	1	1.46	
		125.8	126.8	1	2.24	
		151.3	152.8	1.5	1.29	
AK12-19		30.5	31.5	1	1.6	Banso North
		63.5	64.5	1	1.69	
		85.5	90.9	5.4	3.12	
		93.5	94.5	1	1.19	
		143.5	144.5	1	1.11	
		158.5	159.5	1	5.94	
		184.5	185.5	1	3.33	
AK12-21		145	146	1	3.72	Banso North
		174	175	1	4.33	
		193	195	2	3.72	
		247	249	2	3.15	
AK12-22		2.8	4.1	1.3	1.14	Banso North
		70	71	1	1.46	
		84	85	1	1.52	
AK12-23		93	94	1	7.49	Banso North
		98	99	1	4.2	
		126	127	1	1.64	
		138	139	1	29.31	
		200	201	1	1.58	
		210	211	1	27.78	
		246	247	1	3.39	
AK12-24		128.7	130.2	1.5	0.58	Banso North
		165.2	166.2	1	1.47	
AB12-25		79.5	80.5	1	0.74	Banso South

Hole #	Including	From (meters)	To (meters)	Interval (meters)	g/t Au	Mineralized Zone
AB12-27		4	5.2	1.2	1.26	Banso South
		32.2	35.2	3	0.96	
		57.7	58.7	1	1.24	
		72.7	73.7	1	5.26	
		90.7	91.7	1	1.11	
		92.7	93.7	1	2.18	
AB28-28		5	6.5	1.5	1.74	Banso South
		140	141	1	30.39	
		202	203	1	2.87	
<b>Note</b>	The main mineralized intersections are shown above, with a cutoff grade of 0.5 g/t Au, including a maximum of five consecutive meters of internal dilution (less than 0.5 g/t gold). No upper cut-off grade was applied. All thicknesses are apparent thickness.					

As at the date of this annual report, the assay results that were previously pending for four holes (AK12-16, AK12-17, AB12-26 and AB12-29), returned no significant results, two other holes (AK12-06 and AK12-14) returned no significant results and two short holes (AK12-03 and AB12-30), lost and abandoned, were not assayed.

The samples were analyzed by Fire Assay at Intertek Laboratory, in Tarkwa, Western Ghana. Buccaneer Gold Corp. implemented a rigorous quality assurance / quality control (QA/QC) program to ensure best practices in sampling and analysis of drill core.

This first phase of exploration drilling demonstrated the presence of multi-style mineralization in the Banso and Muoso concessions, including the structurally controlled lode gold deposit, typical for the Kibi Gold Belt.

#### 2012 Exploration Program

Buccaneer Gold Corp.'s 2012 exploration program consisted of compilation and interpretation of available data and ongoing field work, including geological mapping, soil geochemistry, trenching and ground magnetic survey. This program was designed to define the next drilling program that will include follow-up drilling on the known mineralization and testing of new selected exploration drill targets.

#### Soil Geochemistry

Gold soil geochemical surveys were undertaken on selected areas.

A total of 2,746 soil samples have been taken to date (1,866 samples from the Muoso concession and 880 samples from the Banso concession).

The spacing between samples was 25 meters, along the sampling lines. The interval between lines was 100 meters on the Muoso concession. The interval between lines in the Banso concession was 200 meters, in order to cover larger zones. A total of 46 kilometers of lines were cut and marked on the soil sampling grids.

#### Trenching

Trenches were dug at four different areas in Muoso East and Banso South, to confirm soil anomalies and the orientation of the veins before drilling was commenced. Chip samples were taken at the wall bottom of the trench. Sample length was 2 meters, or adjusted to the thickness of specific veins. A total of 330 meters of trenches were made and 169 samples were taken.

The gold mineralization encountered in Ankaase is typical for the Kibi Gold Belt and exhibits many similar features to Ghana's main gold belt, the Ashanti Belt. It consists of lode gold deposit, with structurally controlled mineralization.

Typical mineralization occurs in dioritic sills and in meta-volcanic host units, and is characterized by the presence of quartz-carbonate veining and sulphide mineralization.

## 2013 Exploration

During the first few months of 2013, exploration activities were limited to early stage trenching and sampling by Buccaneer Gold Corp.

In April 2013, Buccaneer Gold Corp. ceased all exploration activities at this project to conserve capital due to market conditions.

## 2014 Exploration

There was no exploration activity conducted on this project by our company or by Buccaneer Gold Corp. in 2014.

### *Future Exploration Plans for 2015*

As at the date of this annual report, we have not planned to conduct any exploration activities at this project during the next 12 months, however, we may consider doing so at a later date. As at the date of this annual report, no exploration activities have been planned by Buccaneer Gold Corp. for 2015, however, they may decide to do so at a later date.

### *Mineral Reserves*

No mineral reserves have been identified on our Muoso project.

### *Muoso Mining Lease*

The Muoso mining lease is dated January 6, 2011 and is owned and controlled by our company, as to a 90% interest; and is registered to XG Mining, while the remaining 10% free carried interest is held by the Government of Ghana. The Muoso mining lease covers an area of 55.28 square kilometers and has a 13 year term expiring on January 5, 2024. We have been granted surface and mining rights by the Government of Ghana to work, develop and produce gold in the Muoso lease area (including processing, storing and transportation of ore and materials). See "Kibi Project – Apapam Mining Lease" for identical terms for the Muoso mining lease, except for the name of the mining lease, the lease registration particulars, the lease area and annual rental fees payable in the amount of approximately \$159 (GH¢280.00) .

The Muoso mining lease further provides that XG Mining shall report forthwith to the government authorities if we discover any other minerals in the Muoso lease area, and will provide XG Mining with the first option to prospect further and to work the said minerals subject to satisfactory arrangements made between XG Mining and the government authorities.

### *Assignment of Interest*

#### *Edum Bansa Project*

We previously held an interest, from 2005 through 2011, in the Edum Bansa project, which is also referred to in this annual report as the Edum Bansa concession and is comprised of 20.60 square kilometers. This concession lies at the southern extremity of the Ashanti gold belt in the Western Region of Ghana and is located approximately 235 kilometers west of Accra and 15 kilometers northwest of Takoradi, the regional capital. The north-western extremity of this concession falls within the grounds of the Bansa Oil Palm Plantation.

In October, 2005, our wholly-owned subsidiary, XGEL, entered into an option agreement with Adom Mining Limited to acquire 100% of its right, title and interest in and to a prospecting license on the Edum Bansa concession. Adom Mining Limited further granted XGEL the right to explore, develop, mine and sell mineral products from this concession. The prospecting license was renewed by Adom Mining Limited for a two year period expiring on July 21, 2013.

We paid \$15,000 for the option agreement with additional payments of \$5,000 to be paid on the anniversary date of the option agreement in each year during its term which was extended to November 11, 2013. Further net smelter royalty payments, based on proven and probable reserves and gold production, was also payable to Adom Mining Limited.

#### Assignment of Interest in Edum Bansa Project

During 2011, we assigned our interest in the Edum Bansa project to Discovery Gold Corporation (formerly Norman Cay Development, Inc.) and received:

- an initial payment of \$125,000 (received);

- 1,000,000 shares of Discovery Gold Corporation (formerly Norman Cay Development, Inc.), valued at \$260,000 on the date of issuance (issued); and
- a final option payment of \$135,000 payable in six months from the date of assignment of the option interest (received).

If Discovery Gold Corporation (formerly Norman Cay Development, Inc.) did not exercise its six-month option, the project would revert to our company. Of the payments received, \$20,000 reduced the carrying value of the Edum Banso project on the balance sheet and the balance reduced exploration spending in the third quarter of 2011.

**Item 4A Unresolved Staff Comments**

Not applicable.

**Item 5 Operating and Financial Review and Prospects**

**A. Operating Results**

Our company's loss for the year ended December 31, 2014 was \$687,057 (December 31, 2013 - \$750,942, December 31, 2012 - \$7,631,636). Our company's basic and diluted loss per share for the year ended December 31, 2014 was \$0.02 (December 31, 2013 - \$0.02, December 31, 2012 - \$0.16). A significant exploration program in 2012 was scaled back in 2013 and 2014. Gold recovery was reduced in 2014 from 2013 and 2013 gold recovery was significantly higher than 2012.

The weighted average number of shares outstanding was 45,996,481 (December 31, 2013 - 46,481,748, December 31, 2012 - 44,698,113). The increase in the weighted average number of shares outstanding in 2013 can be mostly attributed to the issue of 1,929,000 shares late in 2012 which affected 2013 more significantly than 2012. Average shares outstanding were reduced in 2014 due to share repurchases.

We incurred expenses of \$1,055,203 in the year ended December 31, 2014 (December 31, 2013 - \$1,698,704, December 31, 2012 - \$7,062,936). Exploration has decreased each year due to reduced funds and uncertainty about the recovery of gold equity markets. We expense all exploration costs. Amortization decreased each year as no new equipment was purchased. General and administrative expenses decreased slightly in 2014 compared to 2013 as a result of lower legal, audit and regulatory fees, partly offset by increased stock based compensation expenses in 2014. The 2012 general and administration expense was significantly higher than the other two years as a result of the stock based compensation expense.

Exploration spending of approximately \$428,000 in 2014 and \$985,000 in 2013 reflected the general slowdown in the junior market compared to spending in 2012 (\$4,906,000).

Exploration efforts in our fiscal year focused on geological compilation and surface work designed to identify and/or further advance grassroots targets on our Kwabeng and Pameng projects; with soil geochemical sampling and reconnaissance geology / prospecting activities yielding totals of 80.5 line-kilometers of grid lines, 449 rock composite chip samples, and 2,853 soil geochemical samples. Exploration work on our Kibi project during the 2014 fiscal year was limited to Zone 5 reconnaissance geology / prospecting and geological – geophysical modelling geared towards trench and/or drill target selection. A total of 144 rock composite chip samples were collected during 2014 prospecting efforts designed to further define the strike-extensions of the known auriferous structures hosted by the Zone 5 gold corridor and to ground proof additional high priority IP/Resistivity geophysical targets along the 1.8 kilometer long Zone 5 anomalous gold-in-soil trend. Exploration efforts for the 2013 year focused on surface work designed to advance the Zone 5 target on our Kibi project to the drilling stage and to identify and/or further advance grassroots targets on our Kwabeng project. We conducted outcrop stripping and geological mapping / channel sampling on Zone 5 of our Kibi project including 428 bedrock saw-cut channel samples collected from the Main Shear – L7600N Gold Shoot exposure totalling 250 meters and 458 bedrock saw-cut channel samples totalling 300 meters collected from the remaining 6 shear zones. An additional 825 saprolite trench channel samples totalling 957 meters were also collected to further delineate the Zone 5 gold corridor. A total of 199 rock composite chip samples, 511 soil geochemical samples, 42 saprolite trench channel samples, and 19 stripped outcrop saw-cut channel samples were collected from grassroots prospecting efforts on our Kwabeng project. Exploration activity in 2012 included drilling of 12,984 meters and trenching of 3,350 meters, while 11,683 drill assays and 3,317 trenching assays were received from the lab.

During the first quarter of 2012, we received a final option payment of \$135,000 from Discovery Gold Corporation (formerly Norman Cay Development, Inc.) for our Edum Banso project, completing the requirements for the transfer of our interest in this project. No such payments were received in either 2013 or 2014.

During the year ended December 31, 2014, we sold 1,159 ounces of gold for net proceeds of \$411,152 (2013 - \$1,015,203, 2012 - \$70,556). Lower gold prices and reduced ounces of gold sale negatively affected revenue from gold recoveries in 2014. There was no placer gold recovery efforts conducted in 2012, with revenue recognized on 2012 shipments of gold recovered in 2011. Gold sales relating to our share of gold is not recognized until the risks and rewards of ownership passed to the buyer. These placer gold recovery operations were contracted to local Ghanaian groups. We pay a 5% government royalty on our gold sales. Using local contractors promotes the local economy while avoiding illegal workings on our projects.

There was a theft of cash totaling \$130,000 during the year ended December 31, 2013.

A warrant recovery of \$992 was recognized in 2014 (2013 - \$338,597, 2012 - expense \$339,589). Canadian dollar denominated warrants were issued with the December 2012 financing. These warrants were deemed to be embedded derivatives since our company's functional currency is the U.S. dollar. The warrants are marked to market in each period with the change in value recognized in other items of the Statement of Operations and Comprehensive Loss. The warrants expired unexercised in 2014.

During the year ended December 31, 2014, our company had a foreign exchange loss of \$19,592 (2013 - loss of \$93,155, 2012 - gain of \$21,684) due to strength in the U.S. dollar and continued weakness in the Ghana cedi.

Our company's portfolio of marketable securities had an unrealized loss of \$35,268 (2013 - \$193,612, 2012 - \$805,953). The 2014 loss resulted from decreased prices related to equity investments. Most of the 2013 unrealized loss resulted from holding shares received from companies which optioned certain of our properties. Our company recognized a \$9,051 realized gain on sale of securities in the year ended December 31, 2014 (2013 - gain of \$21,440, 2012 - gain of \$379,363). Unrealized gains and losses reflect mark-to-market changes in the investment portfolio during a period. A realized gain is recognized when securities are sold from the investment portfolio, being the difference between the selling price and the purchase price of the security sold. At the time of the sale, any mark-to-market gain or loss which was related to the security sold, previously recognized in unrealized gains and losses, is reversed.

Other income of \$9,980 (2013 - \$342, 2012 - \$110,424) mostly relates to dividends on investment portfolio assets.

## **B. *Liquidity and Capital Resources***

Our activities, principally the exploration and acquisition of properties for gold and other metals, may be financed through joint ventures or through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. During the year ended December 31, 2014, our company repurchased 452,500 of our shares at a cost of \$136,679 (2013 - 276,000 shares for \$110,546, 2012 - 68,300 shares for \$54,831). The shares were cancelled. During the year ended December 31, 2012, our company issued 1,929,000 units comprising shares and half warrants, for proceeds of CAD\$1,639,650 (US\$1,660,025) in connection with a private placement and \$110,000 in connection with the exercise of 110,000 stock options.

At December 31, 2014, accounts payable and accrued liabilities decreased to \$230,798 (December 31, 2013 - \$310,912, December 31, 2012 - \$404,507), due to a decrease in general business payables. Our cash and cash equivalents as at December 31, 2014 were sufficient to pay these liabilities. We believe that our company has sufficient working capital to achieve our 2015 operating plan.

At December 31, 2014, we had total cash and cash equivalents of \$850,736 (December 31, 2013 - \$1,305,281, December 31, 2012 - \$2,308,916). Working capital as of December 31, 2014 was \$797,540 (December 31, 2013 - \$1,406,283 excluding the warrant liability of \$992) (December 31, 2012 - \$1,948,426). The decrease in cash mostly reflects exploration and administrative spending. During the year ended December 31, 2014, our company sold \$140,121 in tradeable securities and purchased \$118,289 in tradeable securities.

We are an exploration company focused on gold and associated commodities and do not have operating revenues; and therefore, we must utilize our current cash reserves, income from placer gold sales, income from investments, funds obtained from the exercise of stock options and warrants and other financing transactions to maintain our capacity to meet the planned exploration programs, or to fund any further development activities. There is no certainty that future financing will be available to us in the amounts or at the times desired on terms acceptable to us, if at all.

Our shares of common stock, warrants and stock options outstanding as at March 30, 2015, December 31, 2014, December 31, 2013 and December 31, 2012 were as follows:

	March 30, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Common Shares	45,726,417	45,811,417	46,263,917	46,539,917
Warrants	-	-	964,500	964,500
Stock Options	2,426,000	2,426,000	2,489,000	2,639,000
Fully diluted	48,152,417	48,237,417	49,717,417	50,143,417

As of the date of this MD&A, the exercise of all outstanding warrants and options would raise approximately \$1.0 million, however such exercise is not anticipated until the market value of our shares of common stock increases in value.

We remain debt free and our credit and interest rate risk is limited to interest-bearing assets of cash and bank or government guaranteed investment vehicles. Accounts payable and accrued liabilities are short-term and non-interest bearing.

Our liquidity risk with financial instruments is minimal as excess cash is invested with a Canadian financial institution in government-backed securities or bank-backed guaranteed investment certificates.

Our fiscal 2015 budget to carry out our plan of operations is approximately \$880,000 to \$1,080,000 comprised of \$480,000 to \$680,000 for our 2015 exploration program (\$180,000) and planned drilling program on our Kibi gold project (\$300,000 to \$500,000) as disclosed in our 20-F annual report under Item 4.B – Information on Xtra-Gold – Business Overview and approximately \$400,000 for general and administrative expenses, (which excludes approximately \$200,000 in non-cash stock-based compensation expense). These expenditures are subject to change if management decides to scale back or accelerate operations.

We believe that we are adequately capitalized to achieve our operating plan for fiscal 2015. As is typical for junior exploration companies, we will require additional funds from equity sources to maintain the current momentum on our projects. At December 31, 2014, there were no borrowings or capital expenditure commitments made by our company.

#### *Recent Capital Raising Transactions*

During December 2012, we completed a private placement and raised \$1,660,025 (CAD\$1,639,650) from the issuance of 1,929,000 units comprised of 1,929,000 common shares and 964,500 common share purchase warrants which expired unexercised on December 21, 2014.

#### *Going Concern*

We have incurred net losses of \$26,247,372 since inception through December 31, 2014. The report of our independent registered public accounting firm on our financial statements for the years ended December 31, 2014, 2013 and 2012 contains an explanatory paragraph regarding our ability to continue as a going concern based upon an ongoing history of financial losses and because our company is dependent on our ability to raise additional capital, which may not be available when required, to implement our business plan. These conditions are typical for junior exploration companies. These factors, among others, raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. There are no assurances we will be successful in our efforts to increase our revenues and report profitable operations or to continue as a going concern.

#### **C. Research and Development, Patents and Licenses**

As Xtra-Gold is a mineral exploration company with no producing properties, the information required by this item is inapplicable.

#### **D. Trend Information**

In 2014, many commodity and stock market indices continued to experience historically high levels of volatility in the face of global economic uncertainty. Gold prices decreased over 2014 as financial markets sold gold to invest in other equities which were more consistent with economic growth prospects.

During 2014, the U.S. dollar strengthened against most currencies, as economic reports reflected a U.S. economic recovery in progress.

Gold price volatility in 2013 remained high with the price reaching a high of \$1,693.75 per ounce. During 2014, the gold price continued to be volatile, reaching a high of \$1,385 per ounce on March 14, 2014 and a low of \$1,142 on November 5, 2014. The average market price for 2014 was \$1,266 per ounce compared to an average market price in 2013 of \$1,411. The tone for the precious metals market in the near future will depend on whether the U.S. dollar will be supported and if the central banks will continue to maintain interest rates at low levels to support economic growth. The continued global easing of monetary policy could lead to higher inflation and further U.S. dollar depreciation in coming years. This dollar depreciation could have a positive impact on gold prices in the future and the long-term upward trend in prices may continue. Conversely, subdued inflation rates and the recovering global economy could put downward pressure on the gold price in the future. Additionally, recent events in Europe could continue to have a positive effect on the gold price.

Overall, a lower U.S. dollar should lead to higher costs in U.S. dollar terms to identify and explore for gold but could be more than offset by higher gold prices, resulting in greater interest in gold exploration companies. Conversely, if the U.S. dollar strengthens further, interest in the gold exploration sector could be reduced.

**E. Off-Balance Sheet Arrangements**

Our company has no off-balance sheet arrangements.

**F. Tabular Disclosure of Contractual Obligations**

Our company's material contractual obligations as of December 31, 2014 are set out in the following table.

Contractual Obligations	Total	Payments due by period as of December 31, 2014			
		less than 1 year	1-3 years	3-5 years	more than 5 years
Long-Term Debt Obligations	-	-	-	-	-
Capital (Finance) Lease Obligations	-	-	-	-	-
Operating Lease Obligations	\$ 107,474	\$ 37,932	\$ 69,542	0	0
Purchase Obligations	-	-	-	-	-
Other Long-Term Liabilities	-	-	-	-	-
<b>Total</b>	<b>\$ 107,474</b>	<b>\$ 37,932</b>	<b>\$ 69,542</b>	<b>0</b>	<b>0</b>

**G. Safe Harbor**

This annual report, including all exhibits hereto, contains forward-looking statements and forward-looking information. Forward-looking statements are with reference to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should", and similar expressions identify forward-looking statements. Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements. These statements include comments regarding the establishment and estimates of mineral reserves, production, production commencement dates, productions costs, cash operating costs per ounce, total cash costs per ounce, grade, processing capacity, potential mine life, feasibility studies, development costs, capital and operating expenditures, exploration, the closing of certain transactions including acquisitions and offerings. All statements, other than statements of historical facts, included in this annual report, our other filings with the SEC and Canadian securities commissions and in news releases and public statements made by our officers, directors or representatives of our company, that address activities, events or developments that we expect or anticipate will or may occur in the future are forward-looking statements and forward-looking information.

The following, in addition to the factors described elsewhere in this annual report under "Risk Factors", are among the factors that could cause actual results to differ materially from the forward-looking statements:

- unexpected changes in business and economic conditions;
- significant increases or decreases in gold prices;
- changes in interest rates and currency exchange rates;
- unanticipated grade changes;

- changes in metallurgy;
- access and availability of materials, equipment, supplies, labor and supervision, power and water;
- determination of mineral reserves;
- availability of drill rigs; changes in project parameters;
- costs and timing of development of new mineral reserves; results of current and future exploration activities;
- results of pending and future feasibility studies; joint venture relationships;
- political or economic instability, either globally or in the countries in which we operate;
- local and community impacts and issues;
- timing of receipt of government approvals; accidents and labor disputes; environmental costs and risks; and
- competitive factors, including competition for property acquisitions; and availability of capital at reasonable rates or at all.

With respect to any forward-looking statement that includes a statement of its underlying assumptions or bases, we believe such assumptions or bases to be reasonable and have formed them in good faith, assumed facts or bases almost always vary from actual results, and the differences between assumed facts or bases and actual results can be material depending on the circumstances. When, in any forward-looking statement, we express an expectation or belief as to future results, that expectation or belief is expressed in good faith and is believed to have a reasonable basis, but there can be no assurance that the stated expectation or belief will result or be achieved or accomplished. All subsequent written and oral forward-looking statements attributable to us, or anyone acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except for our ongoing obligations to disclose material information under the Federal securities laws, we do not undertake any obligations to publicly release any revisions to any forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect unanticipated events that may occur. These forward-looking statements speak only as of the date of this annual report and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

**Item 6 Directors, Senior Management and Employees**

**A. Directors and Senior Management**

The following table sets forth, as of December 31, 2014, the names of the directors and senior management of Xtra-Gold. Each of our directors has served in his capacity since his election and/or appointment and will serve until the next annual general meeting of our shareholders.

<b>Name, Municipality of Residence and Position Held with the Company</b>	<b>Age</b>	<b>Principal Occupation</b>	<b>Date of Appointment or Election</b>	<b>Other Principal Directorships</b>
Paul Zyla <sup>(4)(5)(6)</sup> Oakville, Ontario President, Chief Executive Officer, Secretary-Treasurer and Director	70	Self-employed consultant to the mining industry. President and Chief Executive Officer of Xtra-Gold Resources Corp. and President and Chief Executive Officer of Buccaneer Gold Corp.	June 1, 2010 (as President and Chief Executive Officer) June 19, 2014 (as Secretary-Treasurer) December 22, 2009 (as director)	Buccaneer Gold Corp. NV Gold Corporation

Name, Municipality of Residence and Position Held with the Company	Age	Principal Occupation	Date of Appointment or Election	Other Principal Directorships
Richard Walter Grayston (1)(2)(3)(4)(5)(6)  Calgary, Alberta Chairman of the Board and Director	70	Certified general accountant and consulting economist and public company management	March 5, 2007	Buccaneer Gold Corp. Logan Resources Ltd. Glenmark Capital Corp. Anacott Resources Corp. Linqster Technologies Inc. (formerly Brunello Resources Corp.) Sparx Energy Corp. Teldar Resources Corp.
Peter Minuk (1)(2)(3)(4) (5)(6) Toronto, Ontario Director	50	Self-employed business consultant	March 5, 2007	none
James Harold Schweitzer (1)(2)(3)(4)(5)(6) Scarborough, Ontario Director	77	Retired businessman	June 11, 2011	none
James Longshore (4)(5)(6) Rose Island, Bahamas General Manager, Ghana Operations and Director	48	Self-employed business consultant	January 3, 2009 (as officer) June 19, 2014 (as director)	none
Dr. Guy Joseph Della Valle (4)(5)(6) Ste-Croix, Vaud, Switzerland Director	66	Geologist and Vice-President, Exploration of Buccaneer Gold Corp.	June 19, 2014	none
John C. Ross (4)(5)(6) Toronto, Ontario Chief Financial Officer	56	Chartered accountant	July 19, 2010	none
Yves P. Clement (4)(5)(6) Vancouver, British Columbia Vice-President, Exploration	50	Geologist and Vice-President, Exploration of Xtra-Gold Resources Corp.	May 1, 2006	none
Victor Nkansa (4)(5)(6) Accra, Ghana Vice-President, Ghana Operations	57	Chartered accountant and Vice-President, Ghana Operations of Xtra Gold Resources Corp.	December 22, 2009	none

- (1) Member of Audit Committee. All members of the Audit Committee are financially literate and all members are independent. “Financially literate” and “independent” have the meaning ascribed to those terms in National Instrument 52-110 – *Audit Committees* and in the Marketplace Rules of the NASDAQ (National Association of Securities Dealers Automated Quotations).
- (2) Member of the Compensation Committee.
- (3) Member of the Nominating and Corporate Governance Committee.
- (4) There is no family relationship between any of the persons named above.
- (5) There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or member of senior management.
- (6) A brief description of the business experience, functions and areas of experience in our company, as well as the principal business activities of the directors and senior management of Xtra-Gold are set forth below.

Paul Norman Zyla  
 President, Chief Executive Officer, Secretary-Treasurer and Director

Mr. Zyla was appointed President and Chief Executive Officer of our company as of June 1, 2010 and has been a director of our company since December 2009. He formerly served as our President, Chief Executive Officer, Secretary and Treasurer and a director from November 2003 to August 2005. Mr. Zyla has over 28 years of resource-based public company experience. Since September 1993 to the date of this annual report, Mr. Zyla has been a self-employed consultant to the mining industry.

Mr. Zyla graduated from the University of Toronto with a Bachelor of Science degree in 1966.

During the prior five years, Mr. Zyla has been an officer and/or director of the following public companies:

<b>Name of Company</b>	<b>Position(s) Held</b>	<b>Term of Office</b>
Buccaneer Gold Corp. (1)	President, Secretary-Treasurer and Director	November 2009 to present
NV Gold Corporation (2)	Director	October 2011 to present

(1) Buccaneer Gold Corp. (formerly Verbina Resources Inc.) is mineral exploration TSXV listed issuer.  
 (2) NV Gold Corporation is mineral exploration TSXV listed issuer.

As at the date of this annual report, Mr. Zyla devotes approximately 60% of his time in consulting services to our company on a month-to-month basis (see "Management Consulting Agreements - Consulting Arrangements with President and Chief Executive Officer"). He provides 40% of his time to unrelated companies. Mr. Zyla has not entered into a non-competition and non-disclosure agreement with our company.

Richard Walter Grayston  
 Chairman and Director

Mr. Grayston was appointed as Chairman and a director of our company in March 2007. Since 1985, Mr. Grayston has been a self-employed business consultant with more than 29 years of experience in financial and economic consulting and public company management including preparation of valuations, feasibility studies, capital budgeting, financial reorganizations, profit improvement studies and business plans and going public and business brokerage during which time he has provided his consulting services to oil and gas, mineral exploration, technology, manufacturing, retail and wholesale consumer businesses.

Mr. Grayston received a Ph.D. in Finance and Economics from the University of Chicago in 1971, a MBA from the University of Chicago in 1969, a BA of Commerce from the University of British Columbia in 1966 and has been a certified general accountant since 1977.

During the prior five years, Mr. Grayston has been an officer and/or director of the following public companies.

<b>Name of Company</b>	<b>Position(s) Held</b>	<b>Term of Office</b>
Jet Gold Corp. (1)	Chief Executive Officer and Director	December 2013 to January 2014
Senator Minerals Inc. (2)	President, Chief Executive Officer and Director	April 2013 to December 2014
Anacott Resources Corp. (3)	Chief Executive Officer and Director	February 2013 to present
Linqster Technologies Inc. (4)	Chief Executive Officer and Director	February 2013 to present
Sparx Energy Corp. (5)	Chief Executive Officer and Director	February 2013 to present
Teldar Resources Corp. (6)	Chief Executive Officer and Director	February 2013 to present
Glenmark Capital Corp. (7)	President, Chief Executive Officer and Director	December 2012 to present
Logan Resources Ltd. (8)	Director	July 2012 to present
Camex Energy Corp. (9)	President, Chief Executive Officer and Director	March 2012 to December 2012
Intensity Company Inc. (10)	President, Chief Executive Officer and Director	December 2011 to September 2012

<b>Name of Company</b>	<b>Position(s) Held</b>	<b>Term of Office</b>
Buccaneer Gold Corp. (11)	Director	November 2009 to present
SG Spirit Gold Inc. (12)	President and Chief Executive Officer	October 2009 to October 2011
	Interim Chief Financial Officer and Director	October 2009 to January 2010
	Vice President, Finance	November 2009 to October 2013
	Chief Financial Officer	August 2008 to December 2009
Ranger Canyon Energy Inc. (13)	Director	August 2008 to December 2009
	Chief Executive Officer and Chief Financial Officer	May 2008 to September 2011
	Chief Financial Officer	October 2008 to September 2011
New Cantech Ventures Inc. (14)	Director	October 2008 to September 2011
		January 1991 to May 2008

- (1) Jet Gold Corp. is a mineral exploration TSXV listed issuer.
- (2) Senator Minerals Inc. is a mineral exploration TSXV listed issuer.
- (3) Anacott Resources Corp. is a mineral exploration reporting issuer (British Columbia)
- (4) Linqster Technologies Inc. (formerly Brunello Resources Corp.) is a mineral exploration reporting issuer (British Columbia)
- (5) Sparx Energy Corp. is a mineral exploration reporting issuer (British Columbia)
- (6) Teldar Resources Corp. is a mineral exploration reporting issuer (British Columbia)
- (7) Glenmark Capital Corp. (formerly Abbastar Resources Corp.) is a mineral exploration TSXV listed issuer.
- (8) Logan Resources Ltd. is a mineral exploration TSXV listed issuer.
- (9) Camex Energy Corp. is a NEX-listed issuer.
- (10) Intensity Company Inc. is an industrial TSXV listed issuer.
- (11) Buccaneer Gold Corp. is a mineral exploration TSXV listed issuer.
- (12) SG Spirit Gold Inc. (formerly Ruby Red Resources Inc.) is a mineral exploration TSXV listed issuer.
- (13) Ranger Canyon Energy Inc. was an Alberta, Canada oil and gas company and a former reporting issuer that was dissolved on May 2, 2012.
- (14) New Cantech Ventures Inc. is an oil and gas and mineral exploration (diamonds and gold) TSXV listed issuer.

Peter Minuk  
Director

Mr. Minuk was appointed as Vice-President, Finance and a director of our company in March 2007. He resigned as Vice-President, Finance effective January 31, 2009 and was subsequently appointed Secretary and Treasurer on August 11, 2009 following the resignation of Kiomi Mori from this office. He resigned as Secretary and Treasurer effective June 19, 2014. Mr. Minuk has more than 26 years of experience in finance and investment as well as experience in project management, training and developing staff and client relationships. From February 1, 2009 to May 31, 2009, he provided limited consulting services to our company. From April 2, 2011 to the date of this annual report, Mr. Minuk has been providing freelance management and consulting services to unrelated companies. From June 1, 2009 to April 1, 2011, Mr. Minuk was a business analyst consultant for Industry Canada where he was responsible for reviewing proposals relating to regional development of public infrastructure projects and providing oversight over 40 projects assigned to him by the Fed Dev Ontario which is responsible for administering a variety of government stimulus programs, resources and initiatives for the southern Ontario region. Before joining our company, from 1990 to 2006, Mr. Minuk was employed by BMO InvestorLine in connection with implementing project management protocols. Mr. Minuk received a Masters Certificate in Project Management from the Schulich School of Business, York University in 2005. He obtained his Fellow of the Canadian Securities Institute in 1989 and completed the Business Administration program from Southern Alberta Institute of Technology in 1985.

During the prior five years, Mr. Minuk has been an officer and/or director of the following public companies.

<b>Name of Company</b>	<b>Position(s) Held</b>	<b>Term of Office</b>
Buccaneer Gold Corp. (1)	Corporate Secretary	April 2011 to present

- (1) Buccaneer Gold Corp. is a mineral exploration TSXV listed issuer.

As at the date of this annual report, Mr. Minuk devotes approximately 25% of his time in consulting services to our company. He provides 75% of his time to unrelated companies. There is no management consulting agreement in force at this time nor has Mr. Minuk entered into a non-competition and non-disclosure agreement with our company.

James Harold Schweitzer  
Director

Mr. Schweitzer was appointed as a director of our company in June 2011. Mr. Schweitzer was employed in the securities sector of the investment industry in Canada in various capacities for 55 years and retired in June 2011. He was employed as a registered representative with Haywood Securities Inc. from February 2003 to June 2011, when he resigned from Haywood. His former employment as a registered representative of Haywood Securities Inc. was approved by the Investment Dealers Association of Canada. As a registered representative, Mr. Schweitzer acted as an account executive and investment advisor for clients and was licensed to provide advice to clients as to which securities (primary resource stocks) a client can buy and sell. Prior to that, Mr. Schweitzer became a director and shareholder in the brokerage firm of Wills Bickle and Co. Ltd. in 1975. In 1979, he joined McDermid Miller and McDermid as a registered representative and was appointed as a trading officer for Ontario and was in charge of its Toronto branch office until its merger with St. Lawrence Securities in 1984. Mr. Schweitzer remained with McDermid Miller and McDermid through two mergers with other brokerage firms until 2000 when Raymond James Financial Inc. acquired the then named firm of Goepel McDermid Inc. He resigned as registered representative of Raymond James Financial Inc. in February 2003.

During the prior five years, Mr. Schweitzer has been an officer and/or director of the following public companies:

<b>Name of Company</b>	<b>Position(s) Held</b>	<b>Term of Office</b>
Ranger Canyon Energy Inc. (1)	Director	May 2008 to September 2011

(1) Ranger Canyon Energy Inc. was an Alberta, Canada oil and gas company and a former reporting issuer that was dissolved on May 2, 2012.

James Longshore  
General Manager, Ghana Operations and Director

Mr. Longshore was elected as a director of our company in June 2014. He is a co-founder of Xtra-Gold and formerly served as our company's President, Chief Executive Officer and Chief Financial Officer from March 4, 2007 to June 1, 2010 and a director from September 1, 2006 to June 1, 2010. Mr. Longshore has been overseeing our operations in Ghana as the General Manager of our subsidiaries, XG Mining and XGEL since 2009. Mr. Longshore has more than 20 years of business investment experience in resource companies.

During the prior five years, Mr. Longshore has not been an officer and/or director of any other public companies.

As of the date of this annual report, Mr. Longshore devotes a majority of his time in consulting services to our company on a month-to-month basis (see "Termination of Employment, Change in Responsibilities and Employment Contracts - Consulting Arrangements with General Manager, Ghana Operations"). Mr. Longshore oversees the administrative and exploration activities relating to our projects. Mr. Longshore has not entered into a non-competition and non-disclosure agreement with our company.

Dr. Guy Joseph Della Valle, Ph.D., M.Sc., P.Geo. Temp.  
Director

Dr. Della Valle was elected as a director of our company in June 2014. He is currently the Vice-President, Exploration of Buccaneer Gold Corp. since June 2011. Dr. Della Valle is a senior exploration geologist and possesses more than 30 years of experience in all phases of mineral exploration from green field to pre-feasibility study, including underground mining experience. He is also experienced with respect to property evaluation, due diligence, project generation for base metals, precious metals, rare earths and diamonds. Dr. Della Valle received his M.Sc. in Geology in 1973 and his Ph.D. in 1988 from the University of Lausanne, Switzerland.

During the prior five years, Dr. Della Valle has not been an officer and/or director of any other public companies.

Since September 2011, Dr. Della Valle has been overseeing exploration operations at our Banso and Muoso projects. Dr. Della Valle has not entered into a non-competition and non-disclosure agreement with our company.

John C. Ross  
Chief Financial Officer

Mr. Ross was appointed Chief Financial Officer of our company in July 2010. Mr. Ross has been involved with resource-based companies for more than 20 years in various roles and capacities. Over the last three years, Mr. Ross has served as Chief Financial Officer, on a part time basis, to U308 Corp., Tri Origin Exploration Ltd., Colossus Minerals Inc., Cronus Resources Ltd., and SonnenEnergy Corp.

Mr. Ross obtained his Chartered Accountant designation from the Institute of Chartered Accountants of Ontario in 1987, an M.B.A. from the University of Western Ontario and a B.A. in Economics and Mathematics from the University of Western Ontario.

During the prior five years, Mr. Ross has been an officer and/or director of the following public companies:

<b>Name of Company</b>	<b>Position(s) Held</b>	<b>Term of Office</b>
U308 Corp.(1)	Chief Financial Officer	June 2010 to present
Tri Origin Exploration Ltd. (2)	Chief Financial Officer	January 2010 to January 2011

- (1) U308 Corp. is mineral exploration TSX listed issuer.
- (2) Tri Origin Exploration Ltd. is mineral exploration TSXV listed issuer.

As at the date of this annual report, Mr. Ross devotes approximately 20% of his time in consulting services to our company pursuant to a management consulting agreement (see "Management Consulting Agreements - Management Consulting Agreement with Chief Financial Officer"). He provides 80% of his time to unrelated companies. Mr. Ross has not entered into a non-competition and non-disclosure agreement with our company.

Yves Pierre Clement, P. Geo.  
Vice-President, Exploration

Mr. Clement was appointed Vice-President, Exploration of our company in May 2006. Mr. Clement has more than 26 years experience in the generation, evaluation and development of a wide variety of mineral resources hosted by a broad spectrum of geological environments in Canada and South America. Before joining our company, Mr. Clement was senior project geologist for Lake Shore Gold Corp. in the Timmins lode gold camp from August 2005 to April 2006 and was formerly exploration manager for Aurora Platinum Corp.'s Sudbury operations from August 2000 to July 2005. Before joining Aurora, Mr. Clement was senior project geologist/exploration manager for Southwestern Resources Corp. where he was responsible for the generation of precious and base metal exploration opportunities in Peru and Chile. Mr. Clement's experience will allow us to further maximize the value of our existing portfolio of projects, as well as allowing us to expand our strategy of growth through strategic acquisitions.

During the prior five years, Mr. Clement has been an officer and/or director of the following public companies:

<b>Name of Company</b>	<b>Position(s) Held</b>	<b>Term of Office</b>
Ginguro Exploration Inc. (1)	Vice President, Exploration	March 2005 to July 2009

- (1) Ginguro Exploration Inc. is a gold exploration TSXV listed issuer.

As of the date of this annual report, Mr. Clement devotes approximately 70% of his time in consulting services to our company pursuant to a management consulting agreement (see "Management Consulting Agreements - Management Consulting Agreement with Vice-President, Exploration"). He provides 30% of his time to unrelated companies. Mr. Clement has not entered into a non-competition and non-disclosure agreement with our company.

Victor Nkansa, CA, BA, Economics, MBA, Finance  
Vice-President, Ghana Operations

Mr. Nkansa was appointed as Vice-President, Ghana Operations of our company in December 2009. His responsibilities include overseeing our operations in Ghana under the supervision of our President and CEO, Paul Zyla and James Longshore, who is the President and General Manager of our Ghanaian subsidiaries. Mr. Nkansa is also the Secretary and a director of our Ghanaian subsidiaries. Mr. Nkansa is familiar and experienced with respect to obtaining mining leases, prospecting and reconnaissance licenses and the government regulations relating thereto and is knowledgeable in connection with environmental and forestry issues, immigration and customs affairs. His experience and background will assist us with respect to acquiring approvals, prospecting licenses, mining leases and related permits and renewals from the relevant government authorities to advance our operations in Ghana and acting as our primary government liaison in connection therewith. Mr. Nkansa has more than 29 years of business experience, the last 14 years of which have been in the mining industry. Since 2004, he has been the Controller of our Ghanaian subsidiaries where his responsibilities include the provision of accounting services and assisting with the facilitation of license renewals with respect to our property interests.

During the prior five years, Mr. Nkansa has not been an officer and/or director of any other public companies.

As at the date of this annual report, Mr. Nkansa devotes a variable amount of his time in consulting services to our company on a month to month “as needed” basis (see “Termination of Employment, Change in Responsibilities and Employment Contracts - Consulting Arrangements with Vice-President, Ghana Operations”). Mr. Nkansa has not entered into a non-competition and non-disclosure agreement with our company.

## B. Compensation

The following tables and accompanying notes set forth all compensation paid by our company to our directors and senior management for the positions held during 2014.

No part of this compensation was paid pursuant to a profit sharing plan. There were no amounts set aside for a pension, retirement or similar benefits plans for any director or officer.

*Directors and Senior Management Compensation Table*

Name	Position	Year	Compensation (US\$)	Option-based awards (US\$) <sup>(1)</sup>	Non-equity incentive plan compensation Annual incentive plans	Total compensation (US\$)
Paul Zyla	Director	2014	3,622 <sup>(2)(3)</sup>	-	-	3,622 <sup>(3)</sup>
	President	2014	31,690 <sup>(2)(3)</sup>	-	-	31,690 <sup>(3)</sup>
	Secretary <sup>(4)</sup>	2014	-	-	-	-
Richard W. Grayston	Director	2014	5,574 <sup>(3)</sup>	-	-	5,574 <sup>(3)</sup>
Peter Minuk	Director	2014	2,716 <sup>(3)</sup>	-	-	2,716 <sup>(3)</sup>
	Secretary and Treasurer <sup>(5)</sup>	2014	5,432 <sup>(3)</sup>	-	-	5,432 <sup>(3)</sup>
Robert J. Casaceli	Director <sup>(6)</sup>	2014	1,500	-	-	1,500
James H. Schweitzer	Director	2014	2,716 <sup>(3)</sup>	-	-	2,716 <sup>(3)</sup>
Dr. Guy Della Valle	Director <sup>(7)</sup>	2014	1,358 <sup>(3)</sup>	17,840	-	19,198 <sup>(3)</sup>
James Longshore	Director <sup>(7)</sup>	2014	1,358 <sup>(3)</sup>	-	-	1,358 <sup>(3)</sup>
	General Manager, Ghana Operations	2014	258,394 <sup>(2)(8)</sup>	-	-	258,394 <sup>(8)</sup>
John C. Ross	Chief Financial Officer	2014	24,446 <sup>(2)(3)</sup>	-	-	24,446 <sup>(3)</sup>
Yves P. Clement	Vice-President, Exploration	2014	122,231 <sup>(2)(3)</sup>	-	-	122,231 <sup>(3)</sup>
Victor Nkansa	Vice-President, Ghana Operations	2014	35,888 <sup>(2)(9)</sup>	-	-	35,888 <sup>(9)</sup>

(1) The fair value of these options has been calculated in accordance with ASC718 under US GAAP. The grant date fair value does not materially differ from that calculated under the CICA Handbook or International Financial Reporting Standards. The methodology used to calculate the grant date fair value was the Black-Scholes method, with a volatility assumption of 95.00%, an expected life of 7.5 years and an interest free rate of 1.75%.

(2) See “Termination of Employment, Change in Responsibilities and Employment Contracts” below for consulting arrangements and/or consulting contracts with our company.

(3) The compensation noted above under “Total Compensation” was paid in Canadian dollars and was translated at the average exchange rate of C\$1.00 = US\$0.9054.

(4) Effective June 19, 2014, Mr. Zyla was appointed as Secretary of our company.

(5) Effective June 19, 2014, Mr. Minuk was not re-appointed as Secretary and Treasurer of our company.

(6) Effective June 19, 2014, Mr. Casaceli did not stand for election as a director of our company.

(7) Effective June 19, 2014, Dr. Guy Della Valle and James Longshore were elected as directors of our company.

- (8) The consulting fees under “Compensation” were paid to Brokton International Ltd., a company of which Mr. Longshore is the sole officer, director and shareholder, for the provision of consulting services as the general manager of XG Mining and XGEL (see “Consulting Arrangements with General Manager, Ghana Operations”). Included in the compensation received by Mr. Longshore is \$72,197 which is 50% of \$144,394 paid by our company to Ravenclaw Mining Limited, a company of which Mr. Longshore is a shareholder and Managing Director.
- (9) The compensation noted above under “Total Compensation” was paid in Ghanaian cedis and was translated at the average exchange rate of GH¢1.00 = US\$0.3690.

#### *Stock Options Granted in 2014*

During our fiscal year ended December 31, 2014, stock options were granted to the following director of our company.

<b>Name</b>	<b>Date of Grant</b>	<b>Options Granted</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Dr. Guy Della Valle	June 19, 2014	108,000	\$0.50	June 19, 2024

#### *Termination of Employment, Change in Responsibilities and Employment Contracts*

##### Determination of Compensation Paid in 2014

The terms of the following management consulting agreements were determined by our Compensation Committee and subsequently approved by our Board of Directors. As at the date of this annual report, our Compensation Committee has complete authority to determine the amount of compensation to be paid and the other terms of management compensation. At the time of entering into the agreements, our Compensation Committee did not consult with any consultants or other third parties in determining the amount of compensation to be paid under the management consulting agreements.

During the fiscal year, our Compensation Committee considered and determined the compensation be paid to Mr. Zyla as noted under “Consulting Arrangements with President and Chief Executive Officer”. In determining the compensation to be paid to Mr. Zyla, our Compensation Committee considered a number of factors including the scope of his duties and responsibilities to our company, the time he devotes to our business, his length of services to our company and industry standards for compensation paid for similar positions in other comparable reporting companies. Our Compensation Committee did not consult with any experts or other third parties in fixing the amount of Mr. Zyla’s compensation.

During the fiscal year, Mr. Longshore received a compensation package, through Brokton International Ltd., for providing his consulting services as general manager to XG Mining and XGEL as noted under “Consulting Arrangements with General Manager, Ghana Operations”. Mr. Longshore was reimbursed for out-of-pocket expenses incurred on behalf of our company in connection with carrying out his duties and responsibilities. The terms of any future compensation to be paid to Mr. Longshore will be determined by our Compensation Committee. At such time, our Compensation Committee will consider a number of factors in determining Mr. Longshore’s compensation including the scope of his duties and responsibilities to our company and our subsidiaries, the time he devotes to our business, his length of service to our company and industry standards for compensation paid for similar positions in other comparable reporting companies and whether to consult with any experts or third parties in fixing such compensation.

During the fiscal year, our Compensation Committee considered and determined compensation be paid to Mr. Clement as noted under “Management Consulting Agreement with Vice-President, Exploration”. In determining the compensation to be paid to Mr. Clement, our Compensation Committee considered a number of factors including the scope of his duties and responsibilities to our company and our subsidiaries, the time he devotes to our business, his length of service to our company and industry standards for compensation paid for similar positions in other comparable reporting companies. Our Compensation Committee did not consult with any experts or other third parties in fixing the amount of Mr. Clement’s compensation.

##### Consulting Arrangements with President and Chief Executive Officer

Our Chief Executive Officer, Paul Zyla, provides the stewardship of our company, oversees day-to-day managerial functions of our business, reviews all business opportunities, reports to our Board of Directors and performs the duties and responsibilities generally associated with being the most senior executive of a reporting company. As of the date of this annual report, Mr. Zyla provides his services to our company on a month-to-month basis and is paid CAD\$2,500 (US\$2,264) per month to provide the foregoing services. Effective February 1, 2013, in consideration of cost-saving measures implemented by the Board, Mr. Zyla agreed to a temporary reduction in compensation from CAD\$3,000 (US\$2,716) to CAD\$2,500 (US\$2,264) per month which, as of the date of this annual report, remains in full force and effect and may be subject to further amendment. He is reimbursed for certain expenses incurred in performing his duties to our company. There is no provision for a payment to be made to our Chief Executive Officer if his services are terminated without cause or for payment of additional compensation in the event of a change in responsibilities.

#### Management Consulting Agreement with Chief Financial Officer

Our Chief Financial Officer, John Ross, provides certain accounting services to our company including financial and general management duties, accounting, financial and reporting control and regulatory reporting duties. We entered into a management consulting agreement with our Chief Financial Officer effective September 1, 2010 for the provision of his services to our company. This agreement is not for a defined term. Mr. Ross is paid CAD\$500 (US\$453) per day and is reimbursed for certain expenses incurred in performing his duties to our company. Our company may give written notice to our Chief Financial Officer of our intention to terminate this agreement on the date therein specified in the notice which shall in any event be a date at least 15 and not more than 30 days after giving of such notice. Mr. Ross may terminate this agreement at any time upon providing our company with 60 days' notice. There is no provision for a payment to be made to our Chief Financial Officer if this agreement is terminated without cause or for payment of additional compensation in the event of a change in responsibilities.

#### Management Consulting Agreement with Vice-President, Exploration

Our Vice-President, Exploration, Yves Clement, makes project or property site attendances as may be required from time to time, prepares progress reports with respect to our mineral exploration projects, conducts due diligence as may be required from time to time in connection with potential mineral properties; reviews geological data and liaises with principal owners of mineral properties in which our company may wish to acquire an interest, meets with government authorities and retains technical experts, makes recommendations to our Board of Directors and its relevant committees with respect to the acquisition and/or abandonment of mineral exploration properties and prepares and implements, subject to our Board of Directors' approval, plans for the operation of our company including plans for exploration programs, costs of operations and other expenditures in connection with our mineral projects. On March 1, 2011, we entered into a management consulting agreement with Mr. Clement for a term of three years which expired on March 1, 2014. As of the date of this annual report, we are negotiating the terms of a new management consulting agreement with him. Mr. Clement is paid CAD\$11,250 (US\$10,186) per month to provide the foregoing services. Effective February 1, 2013, in consideration of cost-saving measures implemented by the Board, Mr. Clement agreed to a temporary reduction in compensation from CAD\$12,500 (US\$11,318) to CAD\$11,250 (US\$10,186) per month which, as of the date of this annual report, remains in full force and effect and may be subject to further amendment. He is reimbursed for certain expenses incurred in performing his duties to our company. There is no provision for a payment to be made to our Vice-President, Exploration if this agreement is terminated without cause or for payment of additional compensation in the event of a change in responsibilities.

#### Consulting Arrangements with Vice-President, Ghana Operations

Our Vice-President, Ghana Operations, Victor Nkansa, oversees our operations in Ghana under the supervision of our President and CEO, Paul Zyla and James Longshore, who is the President and General Manager of our Ghanaian subsidiaries. Mr. Nkansa is also the Secretary and a director of our Ghanaian subsidiaries. His primary responsibilities are the provision of accounting services and assisting with the facilitation of obtaining mining leases, operating permits and prospecting license or renewals with respect to our property interests and acting as our primary liaison with the Government of Ghana. As of the date of this annual report, our Vice-President, Ghana Operations is paid 9,000 Cedis (US\$3,330) per month by XG Mining to provide his consulting services on a month to month "as needed" basis. There is no provision for a payment to be made to our Vice-President, Ghana Operations if he is terminated without cause or for payment of additional compensation in the event of a change in responsibilities.

#### Consulting Arrangements with General Manager, Ghana Operations

The consulting services of James Longshore, as our General Manager, Ghana Operations is provided by Brokton International Ltd. through which he oversees administrative and exploration activities relating to our projects. As of the date of this annual report, Brokton International Ltd. provides Mr. Longshore's services to our company on a month-to-month basis and is paid \$9,500 per month to provide the foregoing services. Effective February 1, 2013, in consideration of cost-saving measures implemented by the Board, Brokton International Ltd. agreed to a temporary reduction in compensation from \$10,000 to \$9,500 per month which, as of the date of this annual report, remains in full force and effect and may be subject to further amendment. Brokton International Ltd. is reimbursed for certain expenses incurred by Mr. Longshore in performing his duties to our Ghanaian subsidiaries. There is no provision for a payment to be made to Brokton International Ltd. if Mr. Longshore's services are terminated without cause or for additional compensation in the event of a change in responsibilities.

## C. Board Practices

### *Election of Directors*

The directors of Xtra-Gold are elected annually and hold office until the earlier occurrence of the next annual general meeting of our shareholders is held, their successors in office are duly elected or appointed or a director resigns. We have not entered into service contracts with any directors of our company or any of our subsidiaries providing for benefits upon termination of employment.

### *Board Committees*

Our Board of Directors has established three committees, an audit committee (the “**Audit Committee**”), a compensation committee (the “**Compensation Committee**”) and a nominating and corporate governance committee (the “**Nominating and Corporate Governance Committee**”). The members of these committees do not have any fixed terms for holding their positions, are appointed and replaced from time to time by resolution of the Board of Directors and do not receive any cash remuneration for acting as members of the committees, however committee members may be awarded additional stock options for each committee served on. There are no director service contracts between Xtra-Gold and its directors providing for benefits upon termination of employment. The members of these committees are comprised entirely of independent non-related directors.

Our Board of Directors has adopted a written charter for the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee as summarized below.

### *Audit Committee*

While we are not currently subject to any law, rule or regulation in the United States requiring that we establish or maintain an audit committee, as a reporting issuer in Canada, we are required to comply with National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), adopted by the Canadian Securities Administrators, which states in part that every issuer must have an audit committee that complies with the requirements of the instrument. Prior to our company becoming a reporting issuer in Canada in November 2010, our Board of Directors determined it advisable and in the best interests of our shareholders to establish an audit committee (the “**Audit Committee**”) in November 2009.

Our Audit Committee assists our Board of Directors in fulfilling its oversight responsibility relating to:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements; and
- the qualifications and independence of our independent registered public accountants.

Our Audit Committee has adopted a written charter pursuant to which the Audit Committee provides:

- an independent review and oversight of our company's financial reporting processes, internal controls and independent auditors;
- a forum separate from our management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, our Audit Committee helps to ensure that:
  - our management properly develops and adheres to a sound system of internal controls;
  - procedures are in place to objectively assess our management's practices and internal controls; and
  - the outside auditors, through their own review, objectively assess our company's financial reporting practices.

Our Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for our company.

Our Audit Committee is composed of three directors; namely Richard Grayston, who is also Chair of our Audit Committee, James Schweitzer and Peter Minuk, all of whom have been determined by our Board of Directors to be “independent,” as defined in the Marketplace Rules of the NASDAQ and within the meaning of NI 52-110.

### *Board of Directors Independence*

Our Board of Directors consists of six members; namely Richard Grayston (Chair), Paul Zyla, Peter Minuk, James Schweitzer, James Longshore and Dr. Guy Della Valle. Our Board of Directors has determined that Richard Grayston, James Schweitzer and Peter Minuk are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and the Marketplace Rules of the NASDAQ and as is required by the applicable policies of the TSX. Paul Zyla and James Longshore are not independent within the meaning of NI 58-101 as they are officers of our company and thereby have a “material relationship” with our company.

### *Nominating and Corporate Governance Committee*

We established our Nominating and Corporate Governance Committee in November 2009. The Nominating and Corporate Governance Committee has adopted a written charter pursuant to which the committee:

- recommends the slate of director nominees for election to our Board of Directors;
- identifies and recommends candidates to fill vacancies on our Board of Directors;
- reviews the composition of our Board of Directors’ committees; and
- monitors compliance with, reviews and recommends changes to our various corporate governance policies and guidelines.

This committee also prepares and supervises our Board of Directors’ annual review of director independence and our Board of Directors’ annual self-evaluation. The Nominating and Corporate Governance Committee is composed of three directors; namely Richard W. Grayston, James Schweitzer and Peter Minuk, all of whom have been determined by our Board of Directors to be “independent,” as defined in the Marketplace Rules of the NASDAQ and within the meaning of NI 52-110.

A majority of the persons serving on our Board of Directors must be “independent”. The Nominating and Corporate Governance Committee has considered transactions and relationships between each director or any member of his immediate family and us or our affiliates, including those reported under “Related Party Transactions” below and also reviewed transactions and relationships between directors or their affiliates and members of our senior management or their affiliates. As a result of this review, the committee affirmatively determined that each of Messrs. Grayston, Schweitzer and Minuk are independent.

### *Nomination of Directors*

The Nominating and Corporate Governance Committee considers all qualified candidates for our Board of Directors identified by members of the committee, by other members of our Board of Directors, by senior management and by our shareholders. The committee reviews each candidate including each candidate’s independence, skills and expertise based on a variety of factors, including the person’s experience or background in management, finance, regulatory matters and corporate governance. When identifying nominees to serve as director, the Nominating and Corporate Governance Committee seeks to create a Board of Directors that is strong in its collective knowledge and has a diversity of skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, industry knowledge and corporate governance. In addition, before nominating an existing director for re-election to our Board of Directors, the Nominating and Corporate Governance Committee considers and reviews an existing director’s Board of Directors’ and committee meeting attendance and performance, length of Board of Directors’ service, experience, skills and contributions that the existing director brings to our Board of Directors, equity ownership in our company and independence.

The committee follows the same process and uses the same criteria for evaluating candidates proposed by members of our Board of Directors, members of senior management and shareholders. Based on its assessment of each candidate, the committee recommends candidates to our Board of Directors. However, there is no assurance that there will be any vacancy on our Board of Directors at the time of any submission or that the committee will recommend any candidate for our Board of Directors.

In addition to the each of the individual skills and background described above, our Nominating and Corporate Governance Committee and our Board of Directors also concluded that each of these individuals will continue to provide knowledgeable advice to our other directors and to senior management on numerous issues facing our company and on the development and execution of our strategy.

### Compensation Committee

We established a Compensation Committee in November 2009. The Compensation Committee has adopted a written charter pursuant to which the committee is responsible for overseeing our compensation programs and practices, including our executive compensation plans and incentive compensation plans. Our Chief Executive Officer provides input to the Compensation Committee with respect to the individual performance and compensation recommendations for the other executive officers. Although the committee's charter authorizes the committee to retain an independent consultant, no third party compensation consultant was engaged for 2010. The Compensation Committee is composed of three directors; namely Richard Grayston, who is also Chair of our Compensation Committee, James Schweitzer and Peter Minuk, all of whom have been determined by our Board of Directors to be "independent," as defined in the Marketplace Rules of the NASDAQ and within the meaning of NI 52-110.

### Risk Management

We separate the role of our Chief Executive Officer and the Chairman of our Board of Directors. Our management has approval limits which it must not exceed without approval from our Board of Directors. These approval limits span hiring, asset purchases and the issuance of shares. Our Board of Directors administers its oversight function through three sub-committees which report to our full Board of Directors, being our Audit Committee, our Nominating and Corporate Governance Committee and our Compensation Committee. We are a very small company at this time and consider six members for our Board of Directors to be adequate for the purpose of directing its activities. Our Board of Directors self-assesses on an ongoing basis and has the scope to increase its size if the need is determined.

### D. Employees

As at the date of this annual report, our company has no salaried employees. Our President and Chief Executive Officer provides our company with his consulting services and devotes approximately 60% of his time to our company. Our Chief Financial Officer provides our company with his consulting services and devotes approximately 20% of his time to our company. Our Vice-President, Exploration provides our company with his consulting services and devotes approximately 70% of his time in consulting services to our company. We further engage the consulting services of our Vice-President, Ghana Operations for our Ghanaian subsidiaries, who devotes a variable percentage of his time to our company on an "as needed" basis. We also engage the consulting services of our General Manager of our Ghanaian subsidiaries who devotes a majority of his time to our subsidiaries.

### E. Share Ownership

The following table sets forth, as of the date of this annual report, the number of common shares of our company beneficially owned by the directors and members of senior management of Xtra-Gold, individually, and as a group, and the percentage of ownership of the outstanding common shares represented by such shares.

The shareholders listed below possess sole voting and investment power with respect to the shares.

#### Directors and Senior Management Share Ownership

NAME OF BENEFICIAL OWNER	TITLE OF CLASS OF SHARES	NUMBER OF SECURITIES OF CLASS	PERCENTAGE OF CLASS <sup>(1)</sup>	PERCENTAGE OF CLASS <sup>(2)</sup>
Paul Zyla <sup>(3)</sup>	common	396,250	1.76%	1.76%
Richard W. Grayston <sup>(4)</sup>	common	48,000	0.60%	0.60%
Peter Minuk <sup>(5)</sup>	common	20,000	0.37%	0.37%
James H. Schweitzer <sup>(6)</sup>	common	250,000	0.78%	0.78%
James Longshore <sup>(7)</sup>	common	3,028,355	7.95%	7.95%
Dr. Guy Joseph Della Valle <sup>(8)</sup>	common	0	0.24%	0.24%
John C. Ross <sup>(9)</sup>	common	0	0.20%	0.20%
Yves P. Clement <sup>(10)</sup>	common	0	0.93%	0.93%
Victor Nkansa <sup>(11)</sup>	common	0	0.06%	0.06%
Directors and Officers as a Group		3,742,605	12.88%	12.88%

- (1) Based on 45,726,417 common shares outstanding as at March 30, 2015 and as if all of the options (2,147,000 as a group) were exercised held by directors and officers were converted to common shares.
- (2) Based on 45,726,417 common shares outstanding as at March 30, 2015 and as if only the vested options (2,147,000 as a group) held by directors and officers were converted to common shares.
- (3) Paul Zyla owns 396,250 common shares and holds a total of 408,000 stock options with exercise prices and expiry dates as set out in the table below.
- (4) Richard W. Grayston owns 48,000 common shares and holds a total of a total of 225,000 stock options with exercise prices and expiry dates as set out in the table below.
- (5) Peter Minuk owns 20,000 common shares and holds a total of 150,000 stock options with exercise prices and expiry dates as set out in the table below.
- (6) James H. Schweitzer owns 250,000 common shares and holds 108,000 stock options with an exercise price and expiry date as set out in the table below.
- (7) James Longshore owns 3,028,355 common shares of which 120,000 common shares are owned directly, 2,000,000 common shares are owned indirectly through Brokton International Ltd., a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore and 908,355 common shares are owned indirectly through Sausilito Ltd., a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore. Mr. Longshore exercises sole investment, voting and disposition powers over the common shares included in the above table. Mr. Longshore holds a total of 607,000 stock options with exercise prices and expiry dates as set out in the table below.
- (8) Dr. Guy Joseph Della Valle holds 108,000 stock options with an exercise price and expiry date as set out in the table below.
- (9) John Ross holds 90,000 stock options with an exercise price and expiry date as set out in the table below.
- (10) Yves P. Clement holds a total of 424,000 stock options with exercise prices and expiry dates as set out in the table below.
- (11) Victor Nkansa holds 27,000 holds stock options with exercise prices and expiry dates as set out in the table below.

#### *Options to Purchase Securities*

##### 10% Rolling Stock Option Plan

On May 12, 2011, our Board of Directors considered and believed that it was advisable and in the best interests of our company to terminate our fixed 2005 Equity Incentive Compensation Plan and authorized, approved and adopted our 10% rolling stock option plan (the “**Option Plan**”). Our Option Plan was approved by our shareholders at our annual and special meeting of shareholders held on June 10, 2011 and we received final acceptance of our Option Plan from the TSX on July 13, 2011. In accordance with TSX policy, all unallocated options or other entitlements to a compensation arrangement which does not have a fixed number of securities reserved for issuance must be approved every three years by our Board of Directors and our shareholders. On March 26, 2014, our Board of Directors approved our Option Plan for a further three year period (the “**2014 Plan**”). The 2014 Plan was approved by our shareholders at our annual and special meeting of shareholders held on June 19, 2014 and we received final acceptance of our 2014 Plan from the TSX on June 26 2014.

Pursuant to our 2014 Plan, our company may issue no more than 10% of our issued and outstanding common shares in the aggregate from time to time, and a maximum of 5% of the common shares may be issued to any one director, officer, key employee or other eligible person, except consultants, in any 12 month period, unless disinterested stockholder approval is obtained. The maximum number of common shares that may be issued to a consultant under our 2014 Plan in a 12 month period shall not exceed 2% of the common shares outstanding. The number of securities issuable to our company’s insiders (as defined in National Instrument 55-104 - Insider Reporting Requirements), at any time, under all security-based compensation arrangements, shall not exceed 10% of the issued and outstanding securities and the number of securities issued to insiders, within any one-year period, under all security-based compensation arrangements, shall not exceed 10% of the issued and outstanding securities. Common shares used for stock grants and our 2014 Plan options may be authorized and unissued common shares or common shares reacquired by our company. Common shares covered by our 2014 Plan options which terminate unexercised or common shares subject to stock awards which are forfeited or cancelled will again become available for grant as additional options or stock awards, without decreasing the maximum number of common shares issuable under our 2014 Plan.

Upon adoption of our Option Plan, the 1,989,000 outstanding options granted under our former 2005 Equity Incentive Compensation Plan were converted into options under our Option Plan, and the former plan was terminated. As at the date of this annual report, 4,256,117 common shares have been reserved for issuance under our 2014 Plan. During our fiscal year, 108,000 options were granted to a director of our company. As at the date of this annual report, there are 2,426,000 options outstanding to purchase an aggregate of 2,426,000 common shares (taking into account the grant of 108,000 options in June 2014). The 2,426,000 common shares reserved for the exercise of 2,426,000 options represent 5.31 % of the 45,726,417 common shares currently issued and outstanding. Options to purchase 4,572,641 common shares are currently available for grant under our 2014 Plan, being 10% of the 45,726,417 common shares currently issued and outstanding less the 2,426,000 shares reserved for the 2,426,000 options currently outstanding and less 110,000 options granted to and exercised by a consultant of our company in January 2012.

The period during which options may be exercised shall be determined by our Board of Directors in its discretion, to a maximum of 10 years from the date that the option is granted and the options shall vest on the date of the grant, except that options issued to persons employed in investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three month period.

#### *Stock Options Outstanding*

The names and titles of the directors and executive officers of our company to whom outstanding stock options have been granted and the number of common shares subject to such stock options is set forth in the following table as of December 31, 2014, as well as the number of options granted to directors and all consultants as a group. The exercise prices of the stock options are stated in Canadian dollars.

<b>Name</b>	<b>Title</b>	<b>Number of Stock Options Granted to Purchase Common Shares</b>	<b>Exercise Price</b>	<b>Expiration Date</b>
Paul Zyla	President, CEO, Secretary and Director	108,000	\$0.50	January 25, 2020
		300,000	\$0.50	December 31, 2022
Richard W. Grayston	Chairman of the Board and Director	162,000	\$0.50	May 1, 2017
		63,000	\$0.50	June 1, 2020
Peter Minuk	Director	108,000	\$0.50	May 1, 2017
		42,000	\$0.50	June 1, 2020
James H. Schweitzer	Director	108,000	\$0.50	June 10, 2021
Dr. Guy Della Valle	Director	108,000	\$0.50	June 19, 2024
James Longshore	General Manager, Ghana Operations and Director	162,000	\$0.50	May 1, 2017
		63,000	\$0.50	June 1, 2020
		382,000	\$0.50	December 31, 2022
John C. Ross	Chief Financial Officer	90,000	\$0.50	July 1, 2020
Yves P. Clement	Vice-President, Exploration	324,000	\$0.50	May 1, 2016
		100,000	\$0.50	March 1, 2021
Victor Nkansa	Vice-President, Ghana Operations	12,000	\$0.50	June 1, 2020
		15,000	\$0.50	March 1, 2021

As a group, seven officers and six directors hold 2,147,000 stock options as at December 31, 2014.

As a group, seven officers, six directors and four consultants hold 2,426,000 stock options as at December 31, 2014.

#### **Item 7 Major Shareholders and Related Party Transactions**

##### **A. Major Shareholders**

Our company is a publicly owned BVI company and our common shares are owned by residents of the United States, Canada and other foreign residents. To the extent known to our company, our company is not directly owned or controlled by another corporation, by any foreign government or by any other natural or legal person severally or jointly. To the extent known to our company, there are no arrangements, the operation of which may at a subsequent date result in a change in control of our company.

Our company's registered shareholders' list for our common shares, dated March 10, 2015, showed 145 registered shareholders and 45,726,417 shares outstanding of which 15 of these registered shareholders were U.S. residents including one that is a U.S. depository holding 32,690,034 common shares representing 71.49% of the issued and outstanding shares of Xtra-Gold.

The following table lists the only persons or companies, known by our company, to beneficially own more than 5% of our voting securities. There has been no significant change in the percentage ownership held by any major shareholders during the past three years. Our company's major shareholders do not have different voting rights.

NAME OF BENEFICIAL OWNER	TITLE OF CLASS OF SHARES	NUMBER OF SECURITIES OF CLASS	PERCENTAGE OF CLASS
James Longshore <sup>(1)(2)</sup>	common	3,028,355	7.95% <sup>(2)</sup>

(1) James Longshore owns 3,028,355 common shares of which 120,000 common shares are owned directly, 2,000,000 common shares are owned indirectly through Brokton International Ltd., a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore and 908,355 common shares are owned indirectly through Sausilito Ltd. is a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore. Mr. Longshore exercises sole investment, voting and disposition powers over the common shares included in the above table. Mr. Longshore holds a total of 607,000 stock options with exercise prices and expiry dates as set out in the table under "Stock Options Outstanding".

(2) Based on 45,726,417 common shares outstanding as at March 30, 2015 and as if all of the stock options were exercised.

#### B. Related Party Transactions

During the years ended December 31, 2014, 2013 and 2012, our company entered into the following transactions with related parties:

	December 31, 2014	December 31, 2013	December 31, 2012
Consulting fees paid or accrued to officers or their companies	\$ 472,649	\$ 458,976	\$ 371,340
Directors' fees	18,845	18,535	34,002
Stock option grants to officers and directors	108,000	-	682,000
Stock option grant price range	\$ CAD\$0.50	\$ -	\$ CAD0.85

The amounts charged to our company for the services provided have been determined by negotiation among the parties. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties. Of the total consulting fees noted above, \$144,394 was paid by our company to a private company of which a related party is a shareholder and director and received \$72,197 of this amount. An amount of \$28,974 (2013 - \$nil) was due from a company with common directors and/or officers.

Other than as disclosed above, there have been no transactions during our fiscal year which have materially affected or will materially affect our company in which any director, executive officer or beneficial holder of more than 5% of our outstanding common shares, or any of their relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest. Management believes the transaction referenced above were on terms at least as favorable to Xtra-Gold as Xtra-Gold could have obtained from unaffiliated parties.

#### C. Interests of Experts and Counsel

This Form 20-F is being filed as an annual report under the Securities Act of 1934 and, as such, there is no requirement to provide any information under this sub-item.

### Item 8 Financial Information

#### A. Consolidated Statements and Other Financial Information

##### Financial Statements

The financial statements required as part of this annual report are filed under Item 18 of this annual report.

##### Legal and Arbitration Proceedings

Our company is not involved as a named party in any legal or arbitration proceedings, however during the year ended December 31, 2014, there were three pending or threatened litigation, asserted or unasserted claims or assessments made against our subsidiary, XG Mining. We have summarized these legal proceedings as follows:

- Summary of First Legal Proceeding

- The plaintiff who is a member of the Local District Assembly filed a civil lawsuit against XG Mining and its two named directors, James Longshore, who is a director of our company and Victor Nkansa, who is an officer of our company, alleging that they had made and published certain false allegations against the plaintiff. The purported allegations against the plaintiff relates to 2,000.00 cedis (US\$537.00) and 100 bags of cement that our company had provided to the plaintiff for the benefit of the town of Kwabeng which the plaintiff pleads XG Mining alleged were appropriated by the plaintiff for his own personal use. This plaintiff commenced this legal proceeding against XG Mining, James Longshore and Victor Nkansa jointly and severally for defamation and claims a sum of 1,000,000 cedis (approximately US\$300,000) for general damages for injury caused to the plaintiff's reputation.

XG Mining, James Longshore and Victor Nkansa have entered an appearance to defend this legal proceeding and have filed a statement of defence denying that they made any such false publications against this plaintiff. James Longshore and Victor Nkansa have also filed an application to the court to have their names struck out as parties to this legal proceeding, which is still pending for hearing by the High Court. In the event that the defendants are found liable, based upon the law as applied by the Supreme Court, which is the highest court in Ghana, the plaintiff will only be entitled to an aware of nominal damages as he has not claimed or pleaded any facts to show that he suffered any special damages.

- Summary of Second Legal Proceeding

- The plaintiff noted above in the first legal proceeding also filed a civil lawsuit on his own behalf and as attorney for the local Kwabeng community against XG Mining, James Longshore and Victor Nkansa, alleging that the mining activities of XG Mining at Kwabeng were illegal and causing damage to the land and properties of the local community and the environment. This plaintiff is seeking the court to declare the mining activities of XG Mining illegal and to award damages in the sum of one hundred billion cedis (approximately US\$30,000,000) against the defendants for destruction of the entire community as a consequence of the alleged illegal mining operations and an injunction to restrain the defendants from continuing their illegal mining operations.

XG Mining, James Longshore and Victor Nkansa have entered an appearance and filed a statement of defence to contest the plaintiff's claim. We believe that the defendants have a good defence as the plaintiff's allegations that the mining operations of XG Mining are illegal are false. XG Mining holds a valid gold mining lease granted by the Government of Ghana over the Kwabeng concession and has also obtained all of the requisite regulatory permits and approvals to conduct gold mining operations on the Kwabeng lease area. Pleadings have closed. The former trial would commence after the court has settled the legal issues for determination between the parties. The plaintiff has not taken any further step after the statement of defence was filed.

- Summary of Third Legal Proceeding (pending)

- A claim of annual ground rent by the Administrator of Stool Lands has not yet been filed in court. The office of the Administrator of Stool Lands is responsible for the collection of annual ground rent in respect of the five mining leases held by XG Mining at the Kwabeng, Pameng, Apapam, Bansa and Muoso concessions and has served notices demanding increased ground rents for the years 2012, 2013 and 2014. The aggregate amount is approximately 3,000,000 cedis (approximately US\$900,000).

XG Mining has responded to the increased rent demand notices challenging them as being unlawful because the rents were not prescribed by the Minister for Lands and Natural Resources as required by the Minerals and Mining Act 2006 (Act 703). XG Mining has decided to take this matter to the Supreme Court of Ghana to determine whether the increased rent demands were lawfully passed in accordance with the 1992 Constitution of Ghana.

#### *Dividends*

Our company has not declared any dividends for the last five years and does not anticipate that we will do so in the foreseeable future. Our company does not presently have any intention of paying dividends. Our future dividend policy will be determined by our Board of Directors on the basis of earnings, financial requirements and other relevant factors.

#### **B. Significant Changes**

No significant changes have occurred since the date of our most recent audited financial statements for the year ended December 31, 2014, other than property update activities as reported in Note 6 to our financial statements for the year ended December 31, 2014 which are disclosed in this annual report.

## Item 9. The Offering and Listing

Our common shares have traded on the TSX under the trading symbol “XTG” since November 23, 2010, following the completion of our initial public offering in Canada. Our common shares are quoted from broker dealers on the OTC Bulletin Board under the symbol “XTGRF”. There is currently only a limited trading market for shares of our common shares. There is no assurance that the market for our common shares on the OTC Bulletin Board or TSX will develop into active trading markets.

The following table lists the annual high and low market prices on the TSX and the OTC Bulletin Board for the five most recent financial years.

FOR THE FINANCIAL YEAR ENDED	TSX		OTC BULLETIN BOARD	
	HIGH CAD\$	LOW CAD\$	HIGH US\$	LOW US\$
December 31, 2014	\$ 0.425	\$ 0.10	\$ 0.38	\$ 0.08
December 31, 2013	\$ 0.87	\$ 0.34	\$ 0.84	\$ 0.319
December 31, 2012	\$ 1.50	\$ 0.62	\$ 1.49	\$ 0.66
December 31, 2011	\$ 2.35	\$ 1.34	\$ 2.37	\$ 1.30
December 31, 2010	\$ 2.45	\$ 1.90	\$ 2.51	\$ 0.91

The following table lists the high and low market prices on the TSX and OTC Bulletin Board for Xtra-Gold’s common shares for the full financial quarters for the two most recent full financial years.

FOR THE FINANCIAL QUARTER ENDED	TSX		OTC BULLETIN BOARD	
	HIGH CAD\$	LOW CAD\$	HIGH US\$	LOW US\$
December 31, 2014	\$ 0.145	\$ 0.10	\$ 0.23	\$ 0.08
September 30, 2014	\$ 0.315	\$ 0.24	\$ 0.30	\$ 0.218
June 30, 2014	\$ 0.35	\$ 0.26	\$ 0.33	\$ 0.238
March 31, 2014	\$ 0.425	\$ 0.30	\$ 0.38	\$ 0.287
December 31, 2013	\$ 0.435	\$ 0.34	\$ 0.425	\$ 0.319
September 30, 2013	\$ 0.54	\$ 0.39	\$ 0.5631	\$ 0.385
June 30, 2013	\$ 0.75	\$ 0.53	\$ 0.765	\$ 0.52
March 31, 2013	\$ 0.87	\$ 0.62	\$ 0.84	\$ 0.62

The following table lists the high and low market prices on the TSX and OTC Bulletin Board for Xtra-Gold’s common shares for the most recent six months.

FOR THE MONTH ENDED	TSX		OTC BULLETIN BOARD	
	HIGH CAD\$	LOW CAD\$	HIGH US\$	LOW US\$
February 28, 2015	\$ 0.25	\$ 0.165	\$ 0.206	\$ 0.139
January 31, 2015	\$ 0.20	\$ 0.115	\$ 0.163	\$ 0.104
December 31, 2014	\$ 0.145	\$ 0.10	\$ 0.128	\$ 0.10
November 30, 2014	\$ 0.16	\$ 0.135	\$ 0.15	\$ 0.111
October 31, 2014	\$ 0.27	\$ 0.13	\$ 0.23	\$ 0.08
September 30, 2014	\$ 0.305	\$ 0.265	\$ 0.30	\$ 0.23

### Share Price Volatility and Price Fluctuations

Securities markets in Canada have experienced a high level of price and volume volatility, in recent years, and the market price of many resources companies that are considered to be speculative exploration companies, have experienced wide fluctuations in their share price which have not necessarily been related to operating performance or underlying asset values on the prospects of such companies. Our common shares fluctuated during 2014 from a low of \$0.08 to a high of \$0.38 and during the most recent six months our common shares fluctuated from a low of \$0.08 to a high of \$0.30. Mineral exploration is considered high risk and highly speculative and the trading market for mineral exploration companies is characteristically volatile, with wide fluctuation of price and volume which, only in part, relates to progress of exploration. There can be no assurance that continued fluctuation in our common share price and volume will not occur.

**B. Plan of Distribution**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**C. Markets**

Xtra-Gold shares trade on the following stock exchange and other regulated markets:

<b>Stock Exchange of Other Regulated Market</b>	<b>Company Symbol</b>
Toronto Stock Exchange	XTG
OTC Bulletin Board	XTGRF

**D. Dilution**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**E. Expenses of the Issue**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**Item 10 Additional Information**

**A. Share Capital**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**B. Memorandum and Articles of Association**

Our company was incorporated in Nevada on September 1, 1998 (see "Corporate History" under Item 4. Information on our Company for further details).

On November 30, 2012, we changed the jurisdiction of incorporation of our company to the BVI.

Information regarding the Memorandum and Articles of Xtra-Gold and the various matters regarding the objects and purposes of our company, the powers of our directors, our authorized capital and the rights of our shareholders is incorporated by reference in a registration statement on Form S-4, SEC File No. 183376, as amended.

**C. Material Contracts**

Our company has not entered into any material contracts outside of the ordinary course of business for the two years immediately preceding publication of this annual report.

**D. Exchange Controls**

Our company is a corporation incorporated pursuant to the laws of the Territory of the BVI.

BVI has no system of exchange controls. There are no BVI restrictions on the repatriation of capital or earnings of a BVI public company to non-resident investors. There are no laws in BVI or exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of the issuer's securities.

There are no limitations under the laws of BVI or in the organizing documents of our company on the right of foreigners to hold or vote securities of our company.

## E. *Taxation*

### *Scope of Discussion*

This discussion addresses the material United States federal income tax considerations, under current U.S. law, generally applicable to U.S. Holders and Non-U.S. Holders (as defined below) of the ownership and disposition of our common shares. This discussion does not address all potentially relevant U.S. federal income tax matters including the U.S. federal income tax consequences of a U.S. Holder or Non-U.S. Holder of our common shares such as the consequences to persons subject to special provisions of U.S. federal income tax law, such as those described below as excluded from the definitions of a U.S. Holder and Non-U.S. Holder. United States alternative minimum tax considerations are not addressed in this discussion. In addition, this discussion does not cover any state, local or foreign tax consequences, nor any U.S. federal gift, estate or generation-skipping transfer tax consequences (except for such considerations addressed briefly herein for Non-U.S. Holders).

The following discussion is based upon the Code, Treasury Regulations, published IRS rulings, published administrative positions of the IRS, and court decisions that are currently applicable, any of which could be materially and adversely changed, possibly on a retroactive basis, at any time (including, without limitation, United States rates of taxation). This discussion does not consider the potential effects, both adverse and beneficial, of any recently proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time. There is no assurance that the IRS will not successfully challenge the conclusions reached herein.

### **U.S. Holders and Non-U.S. Holders**

As used herein, a “**U.S. Holder**” means a holder of our common shares who is: a citizen, or an individual resident (as defined under United States tax laws), of the United States; a corporation created or organized in or under the laws of the United States or of any political subdivision thereof; an estate the income of which is taxable in the United States irrespective of source; or a trust if:

- a court within the United States is able to exercise primary supervision over the trust’s administration and one or more United States persons have the authority to control all of its substantial decisions; or
- the trust was in existence on August 20, 1996 and has properly elected to continue to be treated as a United States person.

This discussion is limited to U.S. Holders who hold our common shares directly (e.g., not through an intermediary entity such as a corporation, partnership, limited liability company, or trust).

As used herein, a “**Non-U.S. Holder**” means a holder of our common shares that is not a U.S. Holder and who holds our common shares directly (e.g., not through an intermediary entity such as a corporation, partnership, limited liability company, or trust).

This discussion does not address the U.S. federal income tax consequences applicable to U.S. Holders and Non-U.S. Holders that are subject to special provisions under the Code, including, but not limited to, the following:

- tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts;
- financial institutions, insurance companies, real estate investment trusts, or regulated investment companies;
- dealers in securities or currencies or traders in securities that elect to apply a mark-to-market accounting method;
- U.S. Holders that have a “functional currency” other than the U.S. dollar;
- U.S. Holders and Non-U.S. Holders that own our common shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position;
- U.S. Holders and Non-U.S. Holders that acquired our common shares in connection with the exercise of employee stock options or otherwise as compensation for services;
- U.S. Holders and Non-U.S. Holders that hold our common shares other than as a capital asset within the meaning of Section 1221 of the Code; or
- U.S. tax expatriates or former long-term residents of the U.S.

U.S. Holders and Non-U.S. Holders that are subject to special provisions under the Code, including U.S. Holders and Non-U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the Continuation and the ownership and disposition of our common shares following the Continuation.

## Treatment of our Company as a U.S. Corporation for Tax Purposes Following the Continuation

The Continuation of our company from Nevada to the BVI resulted in the application of the U.S. “corporate inversion” rules. United States federal income tax law with respect to corporate inversions provides in certain cases that a non-U.S. corporation may be treated as a U.S. corporation for all purposes of the Code. An inversion can occur in certain transactions in which a non-U.S. corporation acquires substantially all of the assets of or equity interests in a U.S. corporation, if, after the transaction, former equity owners of the U.S. corporation own 80% or more of the stock, by vote or by value, in the non-U.S. corporation. Our company believes that these conditions have been met as a result of the Continuation.

Thus, even though following the Continuation our company is organized under the laws of the BVI and treated as a BVI company for corporate law and BVI tax purposes, we treat our company also as a U.S. domestic corporation under United States federal tax law, fully subject to United States federal income tax on our worldwide income under Section 7874(b) of the Code, and the remainder of this discussion assumes such treatment.

### Material U.S. Federal Income Tax Consequences of the Continuation

The Continuation was treated as a tax-free reorganization pursuant to Section 368(a)(1)(F) of the Code, and was therefore not taxable to our company. Moreover, U.S. Holders and Non-U.S. Holders will not recognize gain or loss on our common shares as a result of the Continuation. Accordingly, such Holders’ tax bases in and holding periods for our common shares after the Continuation will be the same as their tax bases in and holding periods for our common shares before the Continuation. **Our company and our shareholders may be required to report certain information to the IRS in connection with the Continuation. Accordingly, U.S. Holders and Non-U.S. Holders should consult with their own tax advisors regarding any statements or information reporting to the IRS in connection with the Continuation.**

### Material U.S. Federal Income Tax Considerations of Owning Shares after the Continuation

#### U.S. Holders

##### *Distributions on Shares*

For United States federal income tax purposes, the gross amount of any distribution (including non-cash property) paid by our company (including BVI taxes withheld therefrom, if any) with respect to shares generally will be included in the gross income of a U.S. Holder as a dividend to the extent such distribution is paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent that the amount of any distribution exceeds our company’s current and accumulated earnings and profits for a taxable year, the distribution first will be treated as a tax-free return of capital to the extent of the U.S. Holder’s adjusted tax basis in the shares and to the extent that such distribution exceeds the U.S. Holder’s adjusted tax basis in the shares, will be taxed as a capital gain (see “Capital Gains and Losses” below). Dividends received by non-corporate U.S. Holders will be subject to United States federal income tax at lower rates (generally 15%) than other types of ordinary income in taxable years beginning on or before December 31, 2012 if certain conditions are met. These conditions include the U.S. Holder’s satisfaction of a holding period requirement, and the U.S. Holder not treating the distribution as “investment income” for purposes of the investment interest deduction rules. Unless the reduced rate provision is extended by subsequent legislation, dividends received on or after January 1, 2013 will be taxed at ordinary income rates.

Except as described immediately below, dividend distributions to U.S. Holders that are corporations will qualify for the 70% dividends received deduction, which is generally available to corporations that own less than 20% of the voting power or value of the outstanding stock of the distributing U.S. corporation. A corporate U.S. Holder may not be entitled to take the 70% dividends received deduction in all circumstances. In addition to other applicable rules, U.S. Holders that are corporations should consider the effect of:

- Section 246A of the Code, which reduces the dividends received deduction allowed to a corporate U.S. Holder that has incurred indebtedness that is “directly attributable” to an investment in portfolio stock;
- Section 246(c) of the Code, which, among other things, disallows the dividends received deduction in respect of any dividend on a share of stock that is held for less than the minimum holding period; and
- Section 1059 of the Code, which, under certain circumstances, reduces the basis of stock for purposes of calculating gain or loss in a subsequent disposition by the portion of any “extraordinary dividend” (as defined in the Code) that is eligible for the dividends received deduction.

### *Dispositions of Shares*

Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of shares generally will be subject to United States federal income taxation as a capital gain or loss in an amount equal to the difference between the U.S. Holder's adjusted tax basis in the shares and the amount realized on the disposition (see "Capital Gains and Losses" below). Any such gain or loss that a U.S. Holder recognizes will generally be treated as U.S.-source income or loss.

### *Capital Gains and Losses*

A capital gain or loss may be realized with respect to a disposition of shares, as described above. The amount of the capital gain or loss will be equal to the difference between the U.S. Holder's adjusted tax basis in the shares and the amount realized on the transaction. Net capital gains (i.e. capital gains in excess of capital losses) recognized by a non-corporate U.S. Holder (including an individual) on capital assets that have been held for more than one year will generally be subject to a maximum United States federal income tax rate of 15% (which is scheduled to increase to a maximum rate of 20% on January 1, 2013 unless the reduced rate is extended by subsequent legislation). Deductions for capital losses are subject to certain limitations.

### *Foreign Tax Credit*

Generally, a U.S. Holder who pays (or has withheld from distributions) non-U.S. income tax with respect to stock he or she owns is entitled to either a deduction or a tax credit for such foreign tax paid or withheld. Generally, it is more advantageous to claim a credit because a credit reduces United States federal income tax on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer's income subject to tax. This election is made on a year-by-year basis and generally applies to all foreign taxes paid by (or withheld from) the U.S. Holder during that year.

In addition, this limitation is calculated separately with respect to specific "baskets" of income. Foreign taxes assigned to a particular class of income generally cannot offset United States tax on income assigned to another class. Unused foreign tax credits can generally be carried back one year and carried forward ten years.

In this situation, however, it is unclear whether BVI tax paid or withheld on distributions on our shares (if any) will be creditable for U.S. federal income tax purposes because following the Continuation, we will be treated as a U.S. domestic corporation for U.S. tax purposes. The IRS may take the position that distributions on our shares are U.S.-source income and thus BVI income tax withheld on distributions is not creditable against a U.S. Holder's United States federal income tax liability. **U.S. Holders should consult their own tax advisors concerning their ability to utilize foreign tax credits in this context.**

### *Currency Fluctuations*

For United States federal income tax purposes, the amount received by a U.S. Holder as payment with respect to a distribution on, or disposition of, shares, if paid in non-U.S. currency, will be the U.S. dollar value of the payment at the date of the payment, regardless of whether the payment is later converted into U.S. dollars. In such case, the U.S. Holder may recognize ordinary income or loss as a result of currency fluctuations between the date on which the payment is made and the date the payment is converted into U.S. dollars.

### *Information Reporting and Backup Withholding Tax*

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, shares will generally be subject to information reporting and backup withholding tax, at the rate of 28% (under current law), if a U.S. Holder:

- fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9);
- is notified by the IRS that such U.S. Holder has previously failed to properly report interest and dividend income; or
- fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax, and that such U.S. Holder is a U.S. person.

However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. **Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.**

## *New Tax on Net Investment Income*

For tax years beginning after December 31, 2012, certain U.S. Holders that are individuals, estates or trusts whose income exceeds certain thresholds will be required to pay an additional 3.8% tax on “net investment income”, which includes, among other things, dividends and net gain from the sale or other disposition of property (other than property held in a trade or business). **U.S. Holders are urged to consult with their own tax advisors regarding the effect, if any, of this tax on net investment income on their ownership and disposition of our shares.**

### **Non-U.S. Holders**

#### *Distributions on Shares*

The gross amount of any distribution by our company to a Non-U.S. Holder with respect to shares is treated first as dividend income to the extent such distribution is paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent that the amount of any distribution exceeds our company’s current and accumulated earnings and profits for a taxable year, the distribution is treated as a tax-free return of capital to the extent of the Non-U.S. Holder’s adjusted tax basis in shares. Then, to the extent that such distribution exceeds the Non-U.S. Holder’s adjusted tax basis in shares, it is taxed as gain from the sale or exchange of the Non-U.S. Holder’s shares (see “Dispositions of Shares”, below).

Any such distribution that constitutes a dividend is treated as U.S.-source gross income for Non-U.S. Holders of shares, and is subject to withholding under Section 1441 of the Code (unless it is treated as “effectively connected” income as described below). The withholding rate under the Code on dividends is generally 30%, but may be reduced pursuant to a treaty. Any dividend income that is “effectively connected” with a Non-U.S. Holder’s conduct of a U.S. trade or business (and, where a tax treaty applies, is attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder) will not be subject to the withholding tax described in this paragraph but instead will be taxed as described in the second bullet point and the remaining discussion under the heading “Dispositions of Shares” below. Non-U.S. Holders will be required to provide specific documentation to claim a treaty exemption or reduced rate of withholding with respect to the distribution. Non-U.S. Holders should also review the discussion of the new FATCA rules, below.

#### *Dispositions of Shares*

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain recognized upon the disposition of shares unless:

- such Non-U.S. Holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the taxable year of disposition and certain other conditions are met;
- such gain is effectively connected with such Non-U.S. Holder’s conduct of a U.S. trade or business (and, where a tax treaty applies, is attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder); or
- the common shares constitute a U.S. real property interest by reason of the company’s status as a “United States real property holding corporation” for U.S. federal income tax purposes.

A Non-U.S. Holder described in the first bullet above is required to pay a flat 30% tax on the gain derived from the sale, which tax may be offset by U.S.-source capital losses. A Non-U.S. Holder described in the second bullet above or, if the third bullet applies, is required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and corporate Non-U.S. Holders described in the second bullet above may also be subject to branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. Non-U.S. Holders should consult any applicable income tax treaties that may provide for different results. It is assumed that our company is not a United States real property holding corporation within the meaning of Section 897 of the Code for purposes of the third bullet point above. Non-U.S. Holders should also review the discussion of the new FATCA rules, below.

#### *U.S. Estate and Gift Tax Consequences of Owning Shares*

The U.S. gift, estate, and generation-skipping transfer tax rules generally apply to a Non-U.S. Holder of our shares. In general, our shares are considered a U.S.-situs asset for U.S. estate tax purposes and could be subject to U.S. estate tax at the death of a Non-U.S. Holder depending on the particular facts and circumstances of the Non-U.S. Holder. **Non-U.S. Holders of our shares should consult an independent tax advisor with respect to U.S. gift, estate, and generation-skipping transfer tax consequences applicable to the ownership of our shares.**

### *Backup Withholding and Information Reporting*

Generally, our company must report annually to the IRS and to Non-U.S. Holders the amount of dividends paid and the amount of tax, if any, withheld with respect to those payments. These information reporting requirements apply even if withholding is not required. Pursuant to tax treaties or other agreements, the IRS may make such information available to tax authorities in the Non-U.S. Holder's country of residence. The payment of proceeds from the sale of our shares by a broker to a Non-U.S. Holder is generally not subject to information reporting if:

- the Non-U.S. Holder certifies his, her or its non-U.S. status under penalties of perjury by providing a properly executed IRS Form W-8BEN, or otherwise establish an exemption; or
- the sale of our common shares is effected outside the U.S. by a foreign office of a broker, unless the broker is:
  - a U.S. person;
  - a foreign person that derives 50% or more of its gross income for certain periods from activities that are effectively connected with the conduct of a trade or business in the U.S.;
  - a "controlled foreign corporation" for U.S. federal income tax purposes; or
  - a foreign partnership more than 50% of the capital or profits interest of which is owned by one or more U.S. persons or which engages in a U.S. trade or business.

A backup withholding tax may apply to amounts paid to a Non-U.S. Holder if the Non-U.S. Holder fails to properly establish its foreign status on the applicable IRS Form W-8 or if certain other conditions are met. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, assuming the required information is timely provided to the IRS.

### *FATCA*

New U.S. legislation signed into law on March 18, 2010 (the Foreign Account Tax Compliance Act ("FATCA")) substantially changes the withholding and reporting rules applicable to Non-U.S. Holders who are not individuals that receive certain U.S.-source income, generally effective for payments made after December 31, 2013 (with respect to dividends) and after December 31, 2014 (with respect to gross proceeds from a sale or other disposition). Certain changes made by FATCA may result in different U.S. federal income tax consequences for Non-U.S. Holders that are not individuals than those described above, including with respect to withholding and information reporting, and distributions on and dispositions of shares.

FATCA imposes a 30% U.S. withholding tax (which may be reduced pursuant to a treaty) on dividends on, or gross proceeds from the sale or other disposition of, shares paid to a Non-U.S. Holder that is a foreign financial institution or certain foreign non-financial entities, unless:

- the foreign financial institution undertakes certain diligence and reporting obligations; or
- the foreign non-financial entity either certifies it does not have any substantial United States owners or furnishes identifying information regarding each substantial United States owner.

If the Non-U.S. Holder is a foreign financial institution, it must enter into an agreement with the United States Treasury requiring, among other things, that it undertake to identify accounts held by certain United States persons or United States-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. **Non-U.S. Holders should consult their own tax advisors with respect to the application of FATCA to their particular circumstances.**

### *Material BVI Income Tax Consequences*

BVI companies, provided that they do not operate or hold real property in the BVI or employ persons resident in the BVI, and all amounts paid by them to non-residents, are generally exempt from all local taxes and stamp duty.

### *Certain Canadian Income Tax Consequences*

This summary is based on the provisions of the Income Tax Act (Canada) and the regulations thereunder in force as of the date hereof and the current administrative policies and practices of the Canada Revenue Agency published in writing by the Canada Revenue

Agency before such date. This summary takes into account all specific proposals to amend the Income Tax Act (Canada) and the regulations thereunder which have been publicly announced by or on behalf of the Minister of Finance (Canada) before the date of this proxy statement/prospectus and assumes that all such proposed Canadian amendments will be enacted in their present form. No assurance can be given that the proposed Canadian amendments will be enacted in the form proposed, if at all. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, or changes in the administrative policies and practices of the Canada Revenue Agency.

This summary does not apply to a Holder:

- that is a “financial institution” for purposes of the “mark-to-market property” rules;
- to which the “functional currency” reporting rules in subsection 261(5) of the Income Tax Act (Canada) apply;
- an interest in which is a “tax shelter investment”; or
- with respect to whom our company is a “foreign affiliate”, all within the meaning of the Income Tax Act (Canada).

Such Holders should consult their own tax advisors.

**The following summary of the Canadian tax consequences has been provided for general information purposes only and is not intended to be, and should not under any circumstances be assumed or relied on by any shareholder to be, a complete analysis or discussion of all potential tax consequences relevant to shareholders in any jurisdiction. The following discussion is not intended to be, nor should it be construed to be, legal advice to any particular person who holds our common shares. Shareholders are strongly urged to consult, and must rely on the advice of, their own independent tax and other advisors to determine the tax consequences of the Continuation to them because of their own particular circumstances and the jurisdiction in which they reside or in which they may be subject to tax consequences by the virtue of their ownership of our common shares.**

This summary does not take into account, provincial, territorial or foreign income tax legislation or considerations, which may differ materially from those described herein.  **Holders should consult their own legal advisors with respect to the tax consequences to them based on their particular circumstances.**

#### **Continuation of our company to the BVI**

No disposition of our common shares should be considered to have occurred for Canadian federal income tax purposes solely as result of the Continuation. Consequently, the Continuation should not result in the realization of any capital gain (or capital loss) by a Holder.

#### **Qualified Investments**

Provided our common shares remain listed on a “designated stock exchange” (within the meaning of the Income Tax Act (Canada) and which currently includes the TSX) at all relevant times, such common shares will be a “qualified investment” under the Income Tax Act (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. Notwithstanding that our common shares may be a qualified investment for a trust governed by a tax-free savings account, a registered retirement savings plan or a registered retirement income fund, the holder of a tax-free savings account or the annuitant under a registered retirement savings plan or a registered retirement income fund will be subject to a penalty tax on our common shares held in the tax-free savings account, registered retirement savings plans or registered retirement income funds (as the case may be) if such shares are a “prohibited investment” for the purpose of section 207.01 of the Income Tax Act (Canada). Our common shares will generally be a “prohibited investment” if the holder of a tax-free savings account or the annuitant of a registered retirement savings plan or a registered retirement income fund does not deal at arm’s length with our company for the purposes of the Income Tax Act (Canada) or the holder of a tax-free savings account or the annuitant of a registered retirement savings plan or a registered retirement income fund has a “significant interest” (as defined in the Income Tax Act (Canada)) in our company or a corporation, partnership or trust with which our company does not deal at arm’s length for the purposes of the Income Tax Act (Canada). Such holders are urged to consult their own tax advisors.

**The foregoing summaries of United States, BVI and Canadian tax consequences have been provided for general information purposes only and should not be assumed or relied on by any shareholder to be, a complete analysis or discussion of all potential tax consequences relevant to shareholders in any jurisdiction. The foregoing discussion is not a legal advice to any particular person who holds our common shares.**

**F. Dividends and Paying Agents**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**G. Statements by Experts**

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934 and, as such, there is no requirement to provide any information under this item.

**H. Documents on Display**

Any of the documents referred to in this Form 20-F can be viewed at the office of Xtra-Gold, located at Suite 902, 357 Bay Street, Toronto, Ontario, M5H 2T7 during normal business hours. All of the above documents referred to above are in English.

Xtra-Gold is required to file financial statements and other information with the Ontario Securities Commission, the British Columbia Securities Commission and the Alberta Securities Commission electronically through SEDAR which can be viewed at [www.sedar.com](http://www.sedar.com).

**I. Subsidiary Information**

This annual report includes consolidated information relating to our company and our subsidiaries.

**Item 11 Quantitative and Qualitative Disclosures About Market Risk**

Xtra-Gold is a smaller reporting company and, as such, does not need to provide the information required by this Item 11.

**Item 12 Description of Securities Other Than Equity Securities**

Not applicable.

**PART II**

**Item 13 Defaults, Dividend Arrearages and Delinquencies**

Not applicable.

**Item 14 Material Modifications to the Rights of Security Holders**

Not applicable.

**Item 15 Controls and Procedures**

**A. Disclosure Controls and Procedures**

Our management, including our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this annual report.

Based on that evaluation, our management initially concluded that as of the end of the period covered by this annual report our disclosure controls and procedures were effective such that the information required to be disclosed in our Securities and Exchange Commission reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms; and (ii) is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

Our management does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

**B. Management's Annual Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of these controls. Based on this assessment, our management has concluded that as of December 31, 2014, our internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

**C. Attestation Report on of the Registered Public Accounting Firm**

This annual report does not include an attestation report of Davidson & Company LLP, an independent registered public accounting firm that audited our company's annual financial statements included in this annual report, in connection with internal control over financial report. Management's report is not subject to attestation by our company's registered public accounting firm pursuant to the rules of the SEC that permit our company to provide only management's report in this annual report.

**D. Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting identified in connection with our evaluation that occurred during our most recently completed fiscal year ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 16** [reserved]

**Item 16A Audit Committee Financial Expert**

Our Board of Directors has determined that each of Richard W. Grayston, James H. Schweitzer and Peter Minuk, is an "audit committee financial expert" as defined in Item 16.A of Form 20-F. In general, an "audit committee financial expert" is an individual member of the audit committee who:

- understands generally accepted accounting principles and financial statements;
- is able to assess the general application of such principles in connection with accounting for estimates and accruals;
- has experience preparing, auditing, analyzing or evaluating financial statements comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the company's financial statements;
- understands internal controls over financial reporting;
- understands audit committee functions; and
- is an independent director.

**Item 16B Code of Ethics**

In December 2009, we adopted a new and expanded code of ethics applicable to our principal executive officer, principal financial and accounting officers and persons performing similar functions. Our code of ethics is a written standard designed to deter wrongdoing and to promote:

- honest and ethical conduct;
- full, fair, accurate, timely and understandable disclosure in regulatory filings and public statements;
- compliance with applicable laws, rules and regulations;
- the prompt reporting of a violation of our code of ethics; and
- accountability for adherence to our code of ethics.

A copy of our code of ethics was previously filed as an exhibit to our annual report filed on Form 10-K for the year ended December 31, 2009. We will provide a copy of our code of ethics, without charge, to any person who makes a written request to us at our principal offices.

**Item 16C Principal Accountant Fees and Services**

During the financial years ended December 31, 2014, 2013 and 2012, Davidson & Company LLP, Chartered Accountants, served as Xtra-Gold's external auditor.

*Audit Fees*

Audit fees are the aggregate fees billed by Davidson & Company for the audit of Xtra-Gold's consolidated annual financial statements that are provided in connection with statutory and regulatory filings or engagements. The aggregate audit fees billed by our company's external auditors for the year ended December 31, 2014 was \$45,000 pending Board approval and \$35,000 for the year ended December 31, 2013 and \$60,000 for the year ended December 31, 2012.

*Audit-related Fees*

Audit-related fees consist of assurance and related services by our company's external auditors that are reasonably related to the performance of the audit or review of our company's quarterly financial statements and are not reported above under "Audit Fees." Our company paid Davidson & Company \$nil for audit-related fees for the year ended December 31, 2014 and \$9,500 for audit-related fees for the year ended December 31, 2013 and \$27,750 for audit-related fees for the year ended December 31, 2012.

*Tax Fees*

Tax fees consist of professional services rendered by our company's external auditors for tax compliance and tax advice. Our company paid Davidson & Company \$1,530 for tax fees for the year ended December 31, 2014, \$3,000 for tax fees for the year ended December 31, 2013 and \$2,500 for tax fees for the year ended December 31, 2012.

*All Other Fees*

All other fees consist of fees for other miscellaneous items. There were no other fees in connection services provided or billed by our company's external auditors in the years ended December 31, 2014, 2013 and 2012.

**Audit Committee's Pre-approval Policies and Procedures**

Our Audit Committee has adopted a procedure for pre-approval of all fees charged by our company's external auditors. Under the procedure, our Audit Committee approves the engagement letter with respect to audit, tax and review services. Other fees are subject to pre-approval by our Audit Committee. The audit and tax fees paid to the external auditors with respect to 2014 were pre-approved by our Audit Committee.

**Item 16D Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**Item 16E Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

Our company commenced a normal course issuer bid on February 9, 2012 (the “**2012 Bid**”), with the acceptance of the TSX. Pursuant to the 2012 Bid, our company could purchase 4,045,353 common shares which, at that time, represented approximately 10% of our company’s public float. The 2012 Bid expired on February 8, 2013. Our company purchased an aggregate of 68,300 common shares under the 2012 Bid which were cancelled.

The 2012 Bid and any subsequent normal course issuer bid, as detailed hereunder, are conducted in accordance with Part VI, Sections 628 and 629 of the TSX Company Manual. All common shares purchased by our company are cancelled.

Our company renewed the 2012 Bid for a further one year period commencing on February 15, 2013 (the “**2013 Bid**”), with the acceptance of the TSX. Pursuant to the 2013 Bid, our company could purchase 3,957,802 common shares which, at that time, represented approximately 10% of our company’s public float. The 2013 Bid expired on February 14, 2014. Our company purchased an aggregate of 280,000 common shares under the 2013 Bid which were cancelled.

Our company renewed the 2013 Bid for a further one year period commencing on February 17, 2014 (the “**2014 Bid**”), with the acceptance of the TSX. Pursuant to the 2014 Bid, our company could purchase 4,119,002 common shares which, at that time, represented approximately 10% of our company’s public float. The 2014 Bid expired on February 16, 2015. Our company purchased an aggregate of 533,500 common shares under the 2014 Bid which were cancelled.

Further details relating to the 2014 Bid are noted in the table directly below and in the footnotes following the table, which sets forth information as at the date of this annual report.

**Issuer Purchases of Equity Securities**

<b>Period</b>	<b>(a) Total Number of Shares Purchased</b>	<b>(b) Average Price Paid per Share</b>	<b>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs</b>
<b>Month 1</b> (February 17 to 28, 2014)	0	N/A	0	4,119,002
<b>Month 2</b> (March 1 to 31, 2014)	100,000	0.37	100,000	4,019,002
<b>Month 3</b> (April 1 to 30, 2014)	139,500	0.32	139,500	3,879,502
<b>Month 4</b> (May 1 to 31, 2014)	89,000	0.28	89,000	3,790,502
<b>Month 5</b> (June 1 to 30, 2014)	60,000	0.28	60,000	3,730,502
<b>Month 6</b> (July 1 to 31, 2014)	0	N/A	0	3,730,502
<b>Month 7</b> (August 1 to 31, 2014)	0	N/A	0	3,730,502
<b>Month 8</b> (September 1 to 30, 2014)	60,000	0.27	60,000	3,670,502
<b>Month 9</b> (October 1 to 31, 2014)	0	N/A	0	3,670,502
<b>Month 10</b> (November 1 to 30, 2014)	0	N/A	0	3,670,302
<b>Month 11</b> (December 1 to 31, 2014)	0	N/A	0	3,670,802
<b>Month 12</b> (January 1, 2015 to February 16, 2015)	85,000	0.13	85,000	3,585,502
<b>Total Shares Repurchased</b>	<b>533,500</b>	<b>0.275</b>	<b>533,500</b>	

## **Footnotes**

- The average price paid per share in the above table is in Canadian dollars.
- The 2014 Bid was announced in a news release on February 13, 2014 (as reported by our company on Form 6-K filed on February 17, 2014).
- Under the 2014 Bid, our company could repurchase an aggregate of 4,119,002 common shares. The price paid for the common shares was the market price at the time of purchase.
- The results of the 2014 Bid will be set forth in the management information circular that will form part of the meeting materials to be sent to our shareholders relating to our annual and special meeting of shareholders to be held on June 22, 2015.
- As at the date of this annual report, we have not renewed the 2014 Bid for a further one year period, however, our Board may decide to do so at a later date.

## **Item 16F Change in Registrant's Certifying Accountant**

Not applicable.

## **Item 16G Corporate Governance**

### ***Audit Committee***

While we are not currently subject to any law, rule or regulation in the United States requiring that we establish or maintain an audit committee, as a reporting issuer in Canada, we are required to comply with National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), adopted by the Canadian Securities Administrators, which states in part that every issuer must have an audit committee that complies with the requirements of the Instrument. Prior to our company becoming a reporting issuer in Canada in November 2010, our Board of Directors determined it advisable and in the best interests of our shareholders to establish an audit committee (the “**Audit Committee**”) in November 2009.

Our Audit Committee assists our Board of Directors in fulfilling its oversight responsibility relating to:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements; and
- the qualifications and independence of our independent registered public accountants.

Our Audit Committee has adopted a written charter pursuant to which the Audit Committee provides:

- an independent review and oversight of our company's financial reporting processes, internal controls and independent auditors;
- a forum separate from our management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, our Audit Committee helps to ensure that:
  - our management properly develops and adheres to a sound system of internal controls;
  - procedures are in place to objectively assess our management's practices and internal controls; and
  - the outside auditors, through their own review, objectively assess our company's financial reporting practices.

Our Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for our company.

Our Audit Committee is composed of three directors; namely Richard Grayston, who is also Chair of our Audit Committee, James Schweitzer and Peter Minuk, all of whom have been determined by our Board of Directors to be “independent,” as defined in the Marketplace Rules of the NASDAQ and within the meaning of NI 52-110.

### ***Board of Directors Independence***

Our Board of Directors consists of six members; namely Richard Grayston (Chair), Paul Zyla, Peter Minuk, James Schweitzer, Dr. Guy Joseph Della Valle and James Longshore. Our Board of Directors has determined that Richard Grayston, James Schweitzer, Peter Minuk and Dr. Guy Joseph Della Valle are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and the Marketplace Rules of the NASDAQ and as is required by the applicable policies of the TSX. Paul Zyla and James Longshore are not independent within the meaning of NI 58-101 as they are officers of our company and thereby have a “material relationship” with our company.

### ***Nominating and Corporate Governance Committee***

We established our Nominating and Corporate Governance committee in November 2009. The Nominating and Corporate Governance Committee has adopted a written charter pursuant to which the committee:

- recommends the slate of director nominees for election to our Board of Directors;
- identifies and recommends candidates to fill vacancies on our Board of Directors;
- reviews the composition of our Board of Directors’ committees; and
- monitors compliance with, reviews and recommends changes to our various corporate governance policies and guidelines.

This committee also prepares and supervises our Board of Directors’ annual review of director independence and our Board of Directors’ annual self-evaluation. The Nominating and Corporate Governance Committee is composed of three directors; namely Richard W. Grayston, James Schweitzer and Peter Minuk, all of whom have been determined by our Board of Directors to be “independent,” as defined in the Marketplace Rules of the NASDAQ and within the meaning of NI 52-110.

A majority of the persons serving on our Board of Directors must be “independent”. The Nominating and Corporate Governance Committee has considered transactions and relationships between each director or any member of his immediate family and us or our affiliates, including those reported under “Certain Relationships and Related Transactions” below and also reviewed transactions and relationships between directors or their affiliates and members of our senior management or their affiliates. As a result of this review, the committee affirmatively determined that each of Messrs. Grayston, Schweitzer and Minuk are independent.

### ***Nomination of Directors***

The Nominating and Corporate Governance Committee considers all qualified candidates for our Board of Directors identified by members of the committee, by other members of our Board of Directors, by senior management and by our shareholders. The committee reviews each candidate including each candidate’s independence, skills and expertise based on a variety of factors, including the person’s experience or background in management, finance, regulatory matters and corporate governance. When identifying nominees to serve as director, the Nominating and Corporate Governance Committee seeks to create a Board of Directors that is strong in its collective knowledge and has a diversity of skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, industry knowledge and corporate governance. In addition, before nominating an existing director for re-election to our Board of Directors, the Nominating and Corporate Governance Committee considers and reviews an existing director’s Board of Directors’ and committee meeting attendance and performance, length of Board of Directors’ service, experience, skills and contributions that the existing director brings to our Board of Directors, equity ownership in our company and independence.

The committee follows the same process and uses the same criteria for evaluating candidates proposed by members of our Board of Directors, members of senior management and shareholders. Based on its assessment of each candidate, the committee recommends candidates to our Board of Directors. However, there is no assurance that there will be any vacancy on our Board of Directors at the time of any submission or that the committee will recommend any candidate for our Board of Directors.

### ***Compensation Committee***

We established a Compensation Committee in November 2009. The Compensation Committee has adopted a written charter pursuant to which the committee is responsible for overseeing our compensation programs and practices, including our executive compensation plans and incentive compensation plans. Our Chief Executive Officer provides input to the Compensation Committee with respect to the individual performance and compensation recommendations for the other executive officers. Although the committee’s charter authorizes the committee to retain an independent consultant, no third party compensation consultant was engaged for 2010. The Compensation Committee is composed of three directors; namely Richard Grayston, who is also Chair of our Compensation Committee, James Schweitzer and Peter Minuk, all of whom have been determined by our Board of Directors to be “independent,” as defined in the Marketplace Rules of the NASDAQ and within the meaning of NI 52-110.

## **Risk Management**

We separate the role of our Chief Executive Officer and the Chairman of our Board of Directors. Our management has approval limits which it must not exceed without approval from our Board of Directors. These approval limits span hiring, asset purchases and the issuance of shares. Our Board of Directors administers its oversight function through three sub-committees which report to our full Board of Directors, being our Audit Committee, our Nominating and Corporate Governance Committee and our Compensation Committee. We are a very small company at this time and consider five members for our Board of Directors to be adequate for the purpose of directing its activities. Our Board of Directors self-assesses on an ongoing basis and has the scope to increase its size if the need is determined.

Not applicable.

### **Item 16H Mine Safety Disclosure**

Not applicable.

## **PART III**

### **Item 17 Financial Statements**

Our company has provided our financial statements pursuant to Item 18.

### **Item 18 Financial Statements**

Our company's consolidated financial statements and notes thereto are stated in United States Dollars (US\$) and are prepared in accordance with U.S. GAAP.

This annual report on Form 20-F includes the following financial statements of Xtra-Gold:

- **Audited Financial Statements for the Years Ended December 31, 2014, 2013 and 2012**
  - Report of Independent Registered Public Accounting Firm dated March 31, 2015
  - Consolidated Balance Sheets as at December 31, 2014, December 31, 2013 and December 31, 2012
  - Consolidated Statements of Operations and Comprehensive Loss for the 12 months ended December 31, 2014, 2013 and 2012
  - Consolidated Statements of Cash Flows for the 12 months ended December 31, 2014, 2013 and 2012
  - Consolidated Statement of Shareholders' Equity
  - Notes to the Consolidated Financial Statements

### **Item 19 Exhibits**

The following exhibits are included in this annual report on Form 20-F:

<b>Exhibit Number</b>	<b>Description</b>
1.3	Memorandum and Articles of Association <sup>(1)</sup>
1.4	Code of Ethics <sup>(1)</sup>
<a href="#">12.1</a>	<a href="#">Certification of Chief Executive Officer pursuant to Exchange Act, Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a> <sup>(2)</sup>
<a href="#">12.2</a>	<a href="#">Certification of Chief Financial Officer as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a> <sup>(2)</sup>
<a href="#">13.1</a>	<a href="#">Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> <sup>(2)</sup>
<a href="#">13.2</a>	<a href="#">Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a> <sup>(2)</sup>

(1) Previously filed with the Securities and Exchange Commission as an exhibit to the Form 20-F filed April 3, 2013.

(2) Filed as an exhibit to this annual report on Form 20-F.

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Form 20-F for the year ended December 31, 2014 on its behalf.

**XTRA-GOLD RESOURCES CORP.**

/s/ Paul Zyla

By

**Paul Zyla**

President and Chief Executive Officer

Date: March 31, 2015



**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)

**CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in U.S. Dollars)

**DECEMBER 31, 2014**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of  
Xtra-Gold Resources Corp. and subsidiaries  
(an Exploration Stage Company)

We have audited the accompanying consolidated balance sheets of Xtra-Gold Resources Corp. and subsidiaries (an Exploration Stage Company) (the "Company") as of December 31, 2014, 2013, and 2012, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the years then ended. Xtra-Gold Resources Corp. and subsidiaries' management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Xtra-Gold Resources Corp. and subsidiaries as of December 31, 2014, 2013, and 2012, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regards to these matters are discussed in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**"DAVIDSON & COMPANY LLP"**

Chartered Accountants

Vancouver, Canada

March 30, 2015



1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6  
Telephone (604) 687-0947 Fax (604) 687-6172

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## INDEX TO FINANCIAL STATEMENTS

	<b>Page</b>
Consolidated Balance Sheets as of December 31, 2014, December 31, 2013 and December 31, 2012	1
Consolidated Statements of Operations and Comprehensive Loss for the 12 months ended December 31, 2014, 2013 and 2012	2
Consolidated Statements of Cash Flows for the 12 months ended December 31, 2014, 2013 and 2012	3
Consolidated Statements of Shareholders' Equity	4
Notes to the Consolidated Financial Statements	5

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**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in U.S. Dollars)  
AS AT

	<b>December 31, 2014</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 850,736	\$ 1,305,281	\$ 2,308,916
Investment in trading securities, at fair value cost of \$710,297 (December 31, 2013 - \$779,097, December 31, 2012 - \$766,331) (Note 4)	81,012	141,030	260,434
Receivables and other assets	103,047	270,884	123,172
Inventory	89,938	—	—
<b>Total current assets</b>	<u>1,124,733</u>	<u>1,717,195</u>	<u>2,692,522</u>
<b>Restricted cash</b> (Note 7)	221,322	221,322	220,961
<b>Equipment</b> (Note 5)	632,735	820,813	1,065,472
<b>Mineral properties</b> (Note 6)	<u>734,422</u>	<u>857,422</u>	<u>857,422</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,713,212</u>	<u>\$ 3,616,752</u>	<u>\$ 4,836,377</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 230,798	\$ 310,912	\$ 404,507
Asset retirement obligation (Note 7)	96,395	—	—
Warrant liability (Note 8)	—	992	339,589
<b>Total current liabilities</b>	<u>327,193</u>	<u>311,904</u>	<u>744,096</u>
<b>Asset retirement obligations</b>	<u>—</u>	<u>203,395</u>	<u>187,395</u>
<b>Total liabilities</b>	<u>327,193</u>	<u>515,299</u>	<u>931,491</u>
<b>Shareholders' equity</b>			
Capital stock (Note 8)			
Authorized - 250,000,000 common shares with a par value of \$0.001			
Issued and outstanding			
45,811,417 common shares (December 31, 2013 – 46,263,917 common shares, December 31, 2012 – 46,539,917 common shares)	45,811	46,264	46,540
Additional paid in capital	30,990,260	31,018,184	31,070,399
Deficit	(1,427,764)	(1,427,764)	(1,427,764)
Deficit accumulated during the exploration stage	<u>(26,247,372)</u>	<u>(25,553,473)</u>	<u>(24,811,380)</u>
<b>Total Xtra-Gold Resources Corp. shareholders' equity</b>	3,360,935	4,083,211	4,877,795
Non-controlling interest	<u>(974,916)</u>	<u>(981,758)</u>	<u>(972,909)</u>
<b>Total shareholders' equity</b>	<u>2,386,019</u>	<u>3,101,453</u>	<u>3,904,886</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>\$ 2,713,212</u>	<u>\$ 3,616,752</u>	<u>\$ 4,836,377</u>

History and organization of the Company (Note 1)  
Continuance of operations (Note 2)  
Contingency and commitments (Note 13)

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_  
“Paul Zyla”  
Director

\_\_\_\_\_  
“Richard W. Grayston”  
Director

The accompanying notes are an integral part of these consolidated financial statements.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Expressed in U.S. Dollars)

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
<b>EXPENSES</b>			
Amortization	\$ 188,078	\$ 244,659	\$ 304,555
Exploration	428,619	985,107	4,906,777
General and administrative	438,506	468,938	1,986,604
Options receipts in excess of property value (Note 6)	—	—	(135,000)
<b>LOSS BEFORE OTHER ITEMS</b>	<u>(1,055,203)</u>	<u>(1,698,704)</u>	<u>(7,062,936)</u>
<b>OTHER ITEMS</b>			
Foreign exchange gain (loss)	(19,592)	(93,155)	21,684
Interest expense	(8,169)	(11,053)	(5,185)
Realized gain on sales of trading securities	9,051	21,440	379,363
Net unrealized loss on trading securities	(35,268)	(193,612)	(805,953)
Other income	9,980	342	110,424
Recovery of gold	411,152	1,015,203	70,556
Loss contingency (Note 13)	—	(130,000)	—
Warrant gain (expense) (Note 8)	992	338,597	(339,589)
	<u>368,146</u>	<u>947,762</u>	<u>(568,700)</u>
<b>Consolidated loss and comprehensive loss for the year</b>	<u>(687,057)</u>	<u>(750,942)</u>	<u>(7,631,636)</u>
<b>Net loss (gain) and comprehensive loss (gain) attributable to non-controlling interest</b>	<u>(6,842)</u>	<u>8,849</u>	<u>466,378</u>
<b>Net loss and comprehensive loss attributable to Xtra-Gold Resources Corp.</b>	<u>\$ (693,899)</u>	<u>\$ (742,093)</u>	<u>\$ (7,165,258)</u>
<b>Basic and diluted loss attributable to common shareholders per common share</b>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.16)</u>
<b>Basic and diluted weighted average number of common shares outstanding</b>	<u>45,996,481</u>	<u>46,481,748</u>	<u>44,698,113</u>

The accompanying notes are an integral part of these consolidated financial statements.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in U.S. Dollars)

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the year	\$ (687,057)	\$ (750,942)	\$ (7,631,636)
Items not affecting cash:			
Amortization	188,078	244,659	304,555
Accretion of asset retirement obligation	16,000	16,000	16,000
Stock-based compensation	108,302	58,055	1,041,591
Warrant expense (gain)	(992)	(338,597)	339,589
Options receipts in excess of property value	—	—	(135,000)
Unrealized foreign exchange (gain) loss	11,969	11,316	(42,860)
Realized gain on sale of trading securities	(9,051)	(21,440)	(379,363)
Purchase of trading securities	(118,289)	(174,547)	(82,031)
Proceeds on sale of trading securities	140,121	110,463	1,969,511
Unrealized loss on trading securities	35,268	193,612	805,953
Changes in non-cash working capital items:			
(Increase) decrease in receivables and other assets	167,837	(147,712)	221,337
(Increase) decrease in inventory	(89,938)	—	—
Increase (decrease) in accounts payable and accrued liabilities	(80,114)	(93,595)	(341,353)
Net cash used in operating activities	<u>(317,866)</u>	<u>(892,728)</u>	<u>(3,913,707)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repurchase of capital stock	(136,679)	(110,546)	(54,831)
Issuance of capital stock, net of financing costs	—	—	1,643,701
Net cash provided by (used in) financing activities	<u>(136,679)</u>	<u>(110,546)</u>	<u>1,588,870</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Restricted cash	—	(361)	—
Option payments received	—	—	135,000
Net cash used in investing activities	<u>—</u>	<u>(361)</u>	<u>135,000</u>
<b>Change in cash and cash equivalents during the year</b>	<b>(454,545)</b>	<b>(1,003,635)</b>	<b>(2,189,837)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b><u>1,305,281</u></b>	<b><u>2,308,916</u></b>	<b><u>4,498,753</u></b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 850,736</b>	<b>\$ 1,305,281</b>	<b>\$ 2,308,916</b>

**Supplemental disclosure with respect to cash flows (Note 10)**

The accompanying notes are an integral part of these consolidated financial statements.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(Expressed in U.S. Dollars)

	Common Stock		Additional Paid in Capital	Deficit	Deficit Accumulated During the Exploration Stage	Non- Controlling Interest	Total
	Number of Shares	Amount					
<b>Balance, December 31, 2011</b>	44,569,217	\$ 44,569	\$ 28,441,909	\$ (1,427,764)	\$ (17,646,122)	\$ (506,531)	\$ 8,906,061
Exercise of stock options at \$1.00 per share	110,000	110	109,890	—	—	—	110,000
Private placement of units at CAD\$0.85 per share	1,929,000	1,929	1,658,096	—	—	—	1,660,025
Share issuance costs	—	—	(126,324)	—	—	—	(126,324)
Stock-based compensation	—	—	1,041,591	—	—	—	1,041,591
Repurchase of shares	(68,300)	(68)	(54,763)	—	—	—	(54,831)
Loss for the year	—	—	—	—	(7,165,258)	(466,378)	(7,631,636)
<b>Balance, December 31, 2012</b>	46,539,917	\$ 46,540	\$ 31,070,399	\$ (1,427,764)	\$ (24,811,380)	\$ (972,909)	\$ 3,904,886
Stock-based compensation	—	—	58,055	—	—	—	58,055
Repurchase of shares	(276,000)	(276)	(110,270)	—	—	—	(110,546)
Loss for the year	—	—	—	—	(742,093)	(8,849)	(750,942)
<b>Balance, December 31, 2013</b>	46,263,917	\$ 46,264	\$ 31,018,184	\$ (1,427,764)	\$ (25,553,473)	\$ (981,758)	\$ 3,101,453
Stock-based compensation	—	—	108,302	—	—	—	108,302
Repurchase of shares	(452,500)	(453)	(136,226)	—	—	—	(136,679)
Loss for the year	—	—	—	—	(693,899)	6,842	(687,057)
<b>Balance, December 31, 2014</b>	45,811,417	\$ 45,811	\$ 30,990,260	\$ (1,427,764)	\$ (26,247,372)	\$ (974,916)	\$ 2,386,019

The accompanying notes are an integral part of these consolidated financial statements.

**XTRA-GOLD RESOURCES CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

December 31, 2014

**1. HISTORY AND ORGANIZATION OF THE COMPANY**

Silverwing Systems Corporation (the "Company"), a Nevada corporation, was incorporated on September 1, 1998. On June 23, 1999, the Company completed the acquisition of Advertain On-Line Canada Inc. ("Advertain Canada"), a Canadian company operating in Vancouver, British Columbia, Canada. The Company changed its name to Advertain On-Line Inc. ("Advertain") on August 19, 1999. Advertain Canada's business was the operation of a web site, "Advertain.com", whose primary purpose was to distribute entertainment advertising on the Internet.

In May 2001, the Company, being unable to continue its funding of Advertain Canada's operations, decided to abandon its interest in Advertain Canada. On June 15, 2001, the Company sold its investment in Advertain Canada back to Advertain Canada's original shareholder. On June 18, 2001, the Company changed its name from Advertain to RetinaPharma International, Inc. ("RetinaPharma") and became inactive.

In 2003, the Company became a resource exploration company. On October 31, 2003, the Company acquired 100% of the issued and outstanding common stock of Xtra-Gold Resources, Inc. ("XGRI"). XGRI was incorporated in Florida on October 24, 2003. On December 19, 2003, the Company changed its name from RetinaPharma to Xtra-Gold Resources Corp.

In 2004, the Company acquired 100% of the issued and outstanding capital stock of Canadiana Gold Resources Limited ("Canadiana") and 90% of the issued and outstanding capital stock of Goldenrae Mining Company Limited ("Goldenrae"). Both companies are incorporated in Ghana and the remaining 10% of the issued and outstanding capital stock of Goldenrae is held by the Government of Ghana.

On October 20, 2005, XGRI changed its name to Xtra Energy Corp. ("Xtra Energy").

On October 20, 2005, the Company incorporated Xtra Oil & Gas Ltd. ("XOG") in Alberta, Canada. This subsidiary was struck from the records in 2014.

On December 21, 2005, Canadiana changed its name to Xtra-Gold Exploration Limited ("XG Exploration").

On January 13, 2006, Goldenrae changed its name to Xtra-Gold Mining Limited ("XG Mining").

On March 2, 2006, the Company incorporated Xtra Oil & Gas (Ghana) Limited ("XOGG") in Ghana.

On November 24, 2012, the Company changed its residency address from the USA to the British Virgin Islands.

**2. CONTINUANCE OF OPERATIONS**

The Company is in the early stages of development and as is common with any exploration company, it raises financing for its exploration and acquisition activities. The Company has incurred a loss of \$693,899 for the year ended December 31, 2014 and has accumulated a deficit during the exploration stage of \$26,247,372. Results for the year ended December 31, 2014 are not necessarily indicative of future results. However, these losses raise substantial doubt about its ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and implement its business plan, which is typical for junior exploration companies. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management of the Company ("Management") is of the opinion that sufficient financing will be obtained from external financing and further share issuances to meet the Company's obligations. At December 31, 2014, the Company has working capital of \$797,540, which would not be sufficient to fund the required exploration programs for a period greater than 12 months. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly if required.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Generally accepted accounting principles**

These consolidated financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America ("US GAAP").

**Principles of consolidation**

These consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, Xtra Energy (from October 31, 2003), XG Exploration (from February 16, 2004), XOG (from October 20, 2005) and XOGG (from March 2, 2006) and its 90% owned subsidiary, XG Mining (from December 22, 2004). All intercompany accounts and transactions have been eliminated on consolidation.

**Use of estimates**

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of estimates include the carrying value and recoverability of mineral properties, inputs used in the calculation of stock-based compensation and warrants, inputs used in the calculation of the asset retirement obligation, and the valuation allowance applied to deferred income taxes. Actual results could differ from those estimates, and would impact future results of operations and cash flows.

**Cash and cash equivalents**

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2014, December 31, 2013, and December 31, 2012, cash and cash equivalents consisted of cash held at financial institutions.

**Receivables**

No allowance for doubtful accounts has been provided. Management has evaluated all receivables and believes they are all collectible.

**Recovery of gold**

Recovery of gold and other income is recognized when title and the risks and rewards of ownership to delivered bullion and commodities pass to the buyer and collection is reasonably assured.

**Trading securities**

The Company's trading securities are reported at fair value, with realized and unrealized gains and losses included in earnings.

**Non-Controlling Interest**

The consolidated financial statements include the accounts of XG Mining (from December 22, 2004). All intercompany accounts and transactions have been eliminated upon consolidation. The Company records a non-controlling interest which reflects the 10% portion of the earnings (loss) of XG Mining allocable to the holders of the minority interest.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Equipment**

Equipment is recorded at cost and is being amortized over its estimated useful lives using the declining balance method at the following annual rates:

Furniture and equipment	20%
Computer equipment	30%
Vehicles	30%
Mining equipment	20%

**Mineral properties and exploration and development costs**

The costs of acquiring mineral rights are capitalized at the date of acquisition. After acquisition, various factors can affect the recoverability of the capitalized costs. If, after review, management concludes that the carrying amount of a mineral property is impaired, it will be written down to estimated fair value. Exploration costs incurred on mineral properties are expensed as incurred. Development costs incurred on proven and probable reserves will be capitalized. Upon commencement of production, capitalized costs will be amortized using the unit-of-production method over the estimated life of the ore body based on proven and probable reserves (which exclude non-recoverable reserves and anticipated processing losses). When the Company receives an option payment related to a property, the proceeds of the payment are applied to reduce the carrying value of the exploration asset.

**Long-lived assets**

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For purposes of evaluating the recoverability of long-lived assets, the recoverability test is performed using undiscounted net cash flows related to the long-lived assets. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of their carrying amount or fair value less costs to sell.

**Asset retirement obligations**

The Company records the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development, and/or normal use of the long-lived assets. The Company also records a corresponding asset which is amortized over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation is adjusted at the end of each period to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying the obligation (asset retirement cost).

**Stock-based compensation**

The Company accounts for stock-based compensation under the provisions of ASC 718, "Compensation-Stock Compensation". Under the fair value recognition provisions, stock-based compensation expense is measured at the grant date for all stock-based awards to employees and directors and is recognized as an expense over the requisite service period, which is generally the vesting period. The Black-Scholes option valuation model is used to calculate fair value.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Stock-based compensation (cont'd...)**

The Company accounts for stock compensation arrangements with non-employees in accordance with ASC 718 which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instruments vest. Non-employee stock-based compensation charges are amortized over the vesting period on a straight-line basis. For stock options granted to non-employees, the fair value of the stock options is estimated using a Black-Scholes valuation model.

**Warrants**

The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value using the appropriate valuation methodology and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. The warrants are presented as a liability because they do not meet the criteria of Accounting Standard Codification ("ASC") topic 480 for equity classification. Subsequent changes in the fair value of the warrants are recorded in the consolidated statement of operations.

**Income taxes**

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the asset and liability method the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recognized if it is more likely than not that some portion or all of the deferred tax asset will not be recognized.

**Loss per share**

Basic loss per common share is computed using the weighted average number of common shares outstanding during the year. To calculate diluted loss per share, the Company uses the treasury stock method and the *if converted* method. As of December 31, 2014, there were nil warrants (December 31, 2013 – 964,500, December 31, 2012 – 964,500) and 2,426,000 stock options (December 31, 2013 – 2,489,000, December 31, 2012 – 2,639,000) outstanding which have not been included in the weighted average number of common shares outstanding as these were anti-dilutive.

**Foreign exchange**

The Company's functional currency is the U.S. dollar. Any monetary assets and liabilities that are in a currency other than the U.S. dollar are translated at the rate prevailing at year end. Revenue and expenses in a foreign currency are translated at rates that approximate those in effect at the time of translation. Gains and losses from translation of foreign currency transactions into U.S. dollars are included in current results of operations.

**Financial instruments**

The Company's financial instruments consist of cash and cash equivalents, trading securities, receivables, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted. The Company has its cash primarily in commercial banks in Toronto, Ontario, Canada.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Fair value of financial assets and liabilities**

The Company measures the fair value of financial assets and liabilities based on US GAAP guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurements.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

Financial instruments, including cash and cash equivalents, accounts payable and accrued liabilities are carried at cost, which management believes approximates fair value due to the short term nature of these instruments. Investments in trading securities are classified as held for trading, with unrealized gains and losses being recognized in income.

The following table presents information about the assets that are measured at fair value on a recurring basis as of December 31, 2014, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset.

	December 31, 2014	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	\$ 850,736	\$ 850,736	\$ —	\$ —
Restricted cash	221,322	221,322	—	—
Marketable securities	81,012	81,012	—	—
Total	\$ 1,153,070	\$ 1,153,070	\$ —	\$ —

The fair values of cash and cash equivalents and marketable securities are determined through market, observable and corroborated sources.

**Concentration of credit risk**

The financial instrument which potentially subjects the Company to concentration of credit risk is cash. The Company maintains cash in bank accounts that, at times, may exceed federally insured limits. As of December 31, 2014 and December 31, 2013 and December 31, 2012, the Company has exceeded the federally insured limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risks on its cash in bank accounts. The Company sells all gold recovered to one licensed export agent in Ghana. There is no contract in place and the Company is able to switch suppliers at its discretion.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in U.S. Dollars)  
December 31, 2014

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Recent accounting pronouncements**

In June 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update(ASU) No. 2014-10, “Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810,Consolidation”. This ASU does the following, among other things: a) eliminates the requirement to present inception-to-date information on the statements of income, cash flows, and shareholders’ equity, b) eliminates the need to label the financial statements as those of a development stage entity, c) eliminates the need to disclose a description of the development stage activities in which the entity is engaged, and d) amends FASB ASC 275, “Risks and Uncertainties”, to clarify that information on risks and uncertainties for entities that have not commenced planned principal operations is required. The amendments in ASU No. 2014-10 related to the elimination of Topic 915 disclosures and the additional disclosure for Topic 275 are effective for public companies for annual and interim reporting periods beginning after December 15, 2014. Early adoption is permitted. The Company has evaluated this ASU and adopted beginning with the period ended December 31, 2014.

**4. INVESTMENTS IN TRADING SECURITIES**

At December 31, 2014, the Company held investments classified as trading securities, which consisted of various equity securities. All trading securities are carried at fair value. As of December 31, 2014, the fair value of trading securities was \$81,012 (December 31, 2013 – \$141,030, December 31, 2012 – \$260,434).

**5. EQUIPMENT**

	<b>December 31, 2014</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Furniture and equipment	\$ 8,358	\$ 8,358	\$ —
Computer equipment	20,274	20,274	—
Exploration equipment	1,464,478	930,979	533,499
Vehicles	333,989	234,753	99,236
	<u>\$ 1,827,099</u>	<u>\$ 1,194,364</u>	<u>\$ 632,735</u>
	<b>December 31, 2013</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Furniture and equipment	\$ 8,358	\$ 8,358	\$ —
Computer equipment	20,274	20,274	—
Exploration equipment	1,464,478	785,431	679,047
Vehicles	333,989	192,223	141,766
	<u>\$ 1,827,099</u>	<u>\$ 1,006,286</u>	<u>\$ 820,813</u>

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in U.S. Dollars)  
December 31, 2014

**5. EQUIPMENT (cont'd...)**

	<b>December 31, 2012</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Furniture and equipment	\$ 8,358	\$ 8,358	\$ —
Computer equipment	20,274	20,274	—
Exploration equipment	1,464,478	601,528	862,950
Vehicles	333,989	131,467	202,522
	<u>\$ 1,827,099</u>	<u>\$ 761,627</u>	<u>\$ 1,065,472</u>

**6. MINERAL PROPERTIES**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Acquisition costs	\$ 1,607,729	\$ 1,607,729	\$ 1,607,729
Asset retirement obligation (Note 7)	8,133	131,133	131,133
Option payments received	(881,440)	(881,440)	(881,440)
Total	<u>\$ 734,422</u>	<u>\$ 857,422</u>	<u>\$ 857,422</u>

**Kibi, Kwabeng and Pameng Projects**

The Company holds an individual mining lease over the lease area of each of the Kibi Project, the Kwabeng Project and the Pameng Project, all of which are located in Ghana. Each of these mining leases grant the Company mining rights to produce gold in the respective lease areas until July 26, 2019 with respect to the Kwabeng and Pameng Projects, and until December 17, 2015 with respect to the Kibi Project (formerly known as the Apapam Project), the latter of which can be renewed for up to a further 30 year term on application and payment of applicable fees to the Minerals Commission of Ghana ("Mincom"). All gold production will be subject to a production royalty of the net smelter returns ("NSR") payable to the Government of Ghana.

**Banso and Muoso Projects**

During the year ended December 31, 2010, the Company made an application to Mincom to convert a single prospecting license ("PL") securing its interest in the Banso and Muoso Projects located in Ghana to a mining lease covering the lease area of each of these Projects. This application was approved by Mincom who subsequently made recommendation to the Minister of Lands, Forestry and Mines to grant an individual mining lease for each Project. Subsequent to the year ended December 31, 2010, the Government of Ghana granted two mining leases for these Projects dated January 6, 2011. These mining leases grant the Company mining rights to produce gold in the respective lease areas until January 5, 2025 with respect to the Banso Project and until January 5, 2024 with respect to the Muoso Project. These mining leases supersede the PL previously granted to the Company. Among other things, both mining leases require that the Company (i) pay the Government of Ghana a fee of \$30,000 in consideration of granting of each lease (paid in the March 2011 quarter); (ii) pay annual ground rent of GH¢260.00 (USD\$167) for the Banso Project and GH¢280.00 (USD\$180) for the Muoso Project; (iii) commence commercial production of gold within two years from the date of the mining leases; and (iv) pay a production royalty to the Government of Ghana. The Company has filed for the necessary permits to commence work on the project. The permits were approved and work has commenced on the properties.

**XTRA-GOLD RESOURCES CORP.**  
 (An Exploration Stage Company)  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 (Expressed in U.S. Dollars)  
 December 31, 2014

**6. MINERAL PROPERTIES (cont'd...)**

The Company executed a letter of intent (“LOI”) with Buccaneer Gold Corp. (“Buccaneer”), formerly Verbina Resources Inc., a company related by two directors in common, on July 21, 2010 whereby Buccaneer could acquire an undivided 55% interest in the Company’s interest in the mineral rights of the Company’s Banso and Muoso concessions (“Concessions”). On January 21, 2011, the terms of the agreement were amended.

Pursuant to the 2011 LOI, Buccaneer can acquire a 55% legal and beneficial interest in the Company’s interest in the mineral rights of the Concessions (the “55% Interest”) pursuant to the following terms: Buccaneer shall (i) provide the Company, by February 28, 2011, with notice of its satisfactory completion of due diligence of the Concessions (provided on January 21, 2011), and receipt of regulatory acceptance by the TSX Venture Exchange of the 2011 LOI (received on February 16, 2011) (the “Effective Date”); (ii) make a cash payment to the Company of \$425,000 consisting of \$100,000 upon the Effective Date and \$325,000 within 90 days of the Effective Date (received); (iii) issue 1,000,000 fully paid and non-assessable common shares of Buccaneer to the Company upon the Effective Date (issued in the March 2011 quarter); (iv) incur a total of \$4,425,000 in exploration expenditures on the Concessions within five (5) years of the Effective Date with \$500,000 to be incurred in the first year (completed) from the Effective Date and \$1,000,000 in each year thereafter, except that in the final year the exploration expenditures shall be a minimum of \$925,000; and (v) pay to the Company \$300,000 in connection with a Versatile Time-domain Electromagnetic (“VTEM”), Magnetic and Radiometric survey to be flown over the Concessions by the Company, which payment shall be credited toward the \$500,000 in exploration expenditures referred to above in subparagraph (iv). In 2013, the Company agreed to extend the term to complete exploration spending by a further two years.

Upon Buccaneer having exercised the option and earned the 55% Interest, the Company shall execute and deliver to Buccaneer transfer documentation including a definitive binding option agreement and a deed of transfer (the “Transfer Documents”) which shall be effective to transfer and convey the 55% Interest. The Transfer Documents will require approval from the Minister of Lands, Forestry and Mines.

The status of each Buccaneer commitment to the Company in the 2011 LOI is as follows:

Item	Description	Status
(i)	Due diligence completed	Completed
	TSX accepts LOI	Completed
(ii)	Pay \$100,000 to the Company	Received by the Company
	Pay a further \$325,000 to the Company	Received by the Company
(iii)	Issue 1,000,000 Buccaneer shares to the Company	Received by the Company
(iv)	Spend \$4,425,000 on the properties over 5 years	In Progress
(v)	Pay \$300,000 to the Company for a VTEM survey	Received by the Company

The 1,000,000 Buccaneer shares received were valued at \$411,440 at the date of issuance.

**Mining lease and prospecting license commitments**

The Company is committed to expend, from time to time fees payable (a) to the Minerals Commission for: (i) an extension of an expiry date of a prospecting license (currently \$15,000 for each occurrence); (ii) a grant of a mining lease (currently \$100,000); (iii) an extension of a mining lease (currently \$100,000); (iv) annual operating permits; and (v) the conversion of a reconnaissance license to a prospecting license (currently \$20,000); (b) to the Environmental Protection Agency (“EPA”) (of Ghana) for: (i) processing and certificate fees with respect to EPA permits; (ii) the issuance of permits before the commencement of any work at a particular concession; or (iii) the posting of a bond in connection with any mining operations undertaken by the Company; (c) for a legal obligation associated with our mineral properties for clean up costs when work programs are completed; and (d) an aggregate of less than \$500 in connection with annual ground rent and mining permits to enter upon and gain access to the areas covered by the Company’s mining leases and future reconnaissance and prospecting licenses and such other financial commitments arising out of any approved exploration programs in connection therewith.

**7. ASSET RETIREMENT OBLIGATION**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>	<b>December 31, 2012</b>
Balance, beginning of year	\$ 203,395	\$ 187,395	\$ 171,395
Change in obligation	(123,000)	—	—
Accretion expense	16,000	16,000	16,000
Balance, end of year	<u>\$ 96,395</u>	<u>\$ 203,395</u>	<u>\$ 187,395</u>

The Company has a legal obligation associated with its mineral properties for clean up costs when work programs are completed.

The undiscounted amount of cash flows, required over the estimated time of reclamation of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at \$96,395 (2013 - \$220,000, 2012 - \$220,000). The revised 2014 amount is expected to be settled within the current year prior to further development of the projects. The change in estimate was based on actual historical reclamation costs per acre of land and acres to be reclaimed. During the 2013 and 2012 years, the obligation was calculated using a credit-adjusted risk free discount rate of 10% and an inflation rate of 2%. It is expected that this obligation will be funded from general Company resources at the time the costs are incurred. The Company has been required by the Ghanaian government to post a bond of US\$221,322 which has been recorded in restricted cash.

**8. CAPITAL STOCK**

**Cancellation of shares**

During the year ended December 31, 2012, a total of 68,300 common shares were re-purchased for \$54,831 and cancelled.

During the year ended December 31, 2013, a total of 276,000 common shares were re-purchased for \$110,546 and cancelled.

During the year ended December 31, 2014, a total of 452,500 common shares were re-purchased for \$136,679 and cancelled.

**Issuance of shares**

In December 2012, the Company issued 1,929,000 units at CAD\$0.85 per unit for gross proceeds of \$1,660,025. A cash commission of \$126,324 was paid in relation to this financing. Each unit was comprised of one common share and one-half common share purchase warrant. Each full warrant is convertible into a common share of the Company at the rate of CAD\$1.00 per share for a period of two years, expiring December 21, 2014.

**Stock options**

At June 30, 2011, the Company adopted a new 10% rolling stock option plan (the "2011 Plan") and cancelled the 2005 equity compensation plan. Pursuant to the 2011 Plan, the Company is entitled to grant options and reserve for issuance up to 10% of the shares issued and outstanding at the time of grant. The terms and conditions of any options granted, including the number and type of options, the exercise period, the exercise price and vesting provisions, are determined by the Compensation Committee which makes recommendations to the board of directors for their approval. The maximum term of options granted cannot exceed 10 years.

The TSX's rules relating to security-based compensation arrangements require that every three years after the institution of a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable, all unallocated options must be approved by a majority of the Company's directors and by the Company's shareholders. The Board approved all unallocated options under the Option Plan on March 26, 2014 which was approved by the Company's shareholders at the annual and special meeting held on June 19, 2014.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in U.S. Dollars)  
December 31, 2014

**8. CAPITAL STOCK (cont'd...)**

**Stock options (cont'd...)**

At December 31, 2014, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
324,000	CDN\$0.50	May 1, 2016
270,000	CDN\$0.50	March 5, 2017
162,000	CDN\$0.50	March 12, 2017
108,000	CDN\$0.50	January 25, 2020
216,000	CAD\$0.50	February 1, 2020
228,000	CDN\$0.50	June 1, 2020
90,000	CDN\$0.50	July 1, 2020
130,000	CDN\$0.50	March 1, 2021
108,000	CDN\$0.50	June 10, 2021
682,000	CDN\$0.50	December 31, 2022
108,000	CDN\$0.50	June 19, 2024

Stock option transactions and the number of stock options outstanding are summarized as follows:

	December 31, 2014		December 31, 2013		December 31, 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	2,489,000	\$ 1.03	2,639,000	\$ 1.02	2,067,000	\$ 1.07
Granted	108,000	\$ 0.43	—	—	682,000	0.85
Exercised	—	—	—	—	(110,000)	1.00
Cancelled/Expired	(171,000)	1.90	(150,000)	0.82	—	—
<b>Outstanding, end of year</b>	<b>2,426,000</b>	<b>\$ 0.43</b>	<b>2,489,000</b>	<b>\$ 1.03</b>	<b>2,639,000</b>	<b>\$ 1.02</b>
<b>Exercisable, end of year</b>	<b>2,426,000</b>	<b>\$ 0.43</b>	<b>2,462,000</b>	<b>\$ 1.02</b>	<b>2,552,000</b>	<b>\$ 1.02</b>

The aggregate intrinsic value for options vested as of December 31, 2014 is approximately \$nil (December 31, 2013 - \$nil, December 31, 2012 - \$526,609) and for total options outstanding is approximately \$nil (December 31, 2013 - \$nil, December 31, 2012 - \$604,429). The weighted average contractual term of stock options outstanding and exercisable as at December 31, 2014 is 5.05 years (December 31, 2013 - 5.86 years, December 31, 2012 - 6.50 years).

The fair value of stock options granted, vested, and modified during the period ended December 31, 2014 totaled \$108,302 (December 31, 2013 - \$58,055, December 31, 2012 - \$1,041,591) which has been included in general and administrative expense.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in U.S. Dollars)  
December 31, 2014

**8. CAPITAL STOCK (cont'd...)**

**Stock options (cont'd...)**

During the year ended December 31, 2014, 2,147,000 options previously granted to insiders of the Company and 171,000 options previously granted to non-insiders of the Company were re-priced to \$0.43 (CAD\$0.50), resulting in a charge of \$59,304 during the year. There were no modifications and no charges in 2013 (December 31, 2012 - \$418,317). Certain option maturity terms were extended during the 2012 year to ten years from the original issuance of the options.

The following assumptions were used for the Black-Scholes valuation of stock options granted during the years ended December 31, 2014, December 31, 2013 and December 31, 2012:

	2014	2013	2012
Risk-free interest rate	1.75%	—	1.75%
Expected life	7.5 years	—	7.5 years
Annualized volatility	95.00	—	83.64
Dividend rate	—	—	—

The weighted average fair value of options granted in 2014 was \$0.17 (2013 - \$nil, 2012 - \$0.73).

The following assumptions were used for the Black-Scholes valuation of stock options amended during the years ended December 31, 2014, December 31, 2013 and December 31, 2012:

	2014	2013	2012
Risk-free interest rate	1.25%	1.75%	—
Expected life	5.0 years	5.0 years	—
Annualized volatility	45.00	75.00	—
Dividend rate	—	—	—

**Warrants**

At December 31, 2014, no warrants were outstanding. A total of 964,500 warrants expired unexercised during 2014.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	2014		2013		2012	
Balance, beginning of year	964,500	CAD\$ 1.00	964,500	CAD\$ 1.00	566,482	CAD\$ 1.33
Issued	—	—	—	—	964,500	CAD\$ 1.00
Exercised	—	—	—	—	—	—
Expired	(964,500)	CAD\$ 1.00	—	—	(566,482)	CAD\$ 1.33
Balance, end of year	—	—	964,500	CAD\$ 1.00	964,500	CAD\$ 1.00

Under US GAAP when the strike price of the warrants is denominated in a currency other than an entity's functional currency, the warrants would not be considered indexed to the entity's own stock, and would consequently be considered to be a derivative liability. The common share purchase warrants described above are denominated in CAD dollars and the Company's functional currency is the US dollar. As a result, the Company determined that these warrants are not considered indexed to the Company's own stock and characterized the fair value of these warrants as derivative liabilities upon issuance. The derivative will be subsequently marked to market through income.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in U.S. Dollars)  
December 31, 2014

**8. CAPITAL STOCK (cont'd...)**

**Warrants (cont'd...)**

The Company determined that the fair value of the warrant liability at December 31, 2014 to be \$nil (December 31, 2013 - \$992, December 31, 2012 - \$339,589). The fair value of the warrants has been estimated at December 31, 2013 using the Black-Scholes Options Pricing Model, using a volatility of 30%, risk free interest rate of 0.102%, expected life of 6 months, and a dividend yield of Nil.

The value at issuance was determined to be \$275,735 based upon a Black-Scholes Options Pricing Model calculation. The fair value of the warrants has been initially estimated at December 21, 2012 using the Black-Scholes Options Pricing Model, using a volatility of 95%, risk free interest rate of 1.25%, expected life of 18 months, and a dividend yield of Nil. The Company recorded the full value of the derivative as a liability at issuance and recognized the amount as financing expense in the consolidated statement of operations. At December 31, 2014, the fair value of the warrant liability was valued at \$nil due to expiry (December 31, 2013 - \$992, December 31, 2012 - \$339,589) and the fair value adjustment was recognized in the consolidated statement of operations.

**9. RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2014, December 31, 2013 and December 31, 2012, the Company entered into the following transactions with related parties:

	December 31, 2014	December 31, 2013	December 31, 2012
Consulting fees paid or accrued to officers or their companies	\$ 472,649	\$ 458,976	\$ 371,340
Directors' fees	18,845	18,535	34,002
Stock option grants to officers and directors	108,000	—	682,000
Stock option grant price range	CAD\$0.50	\$ —	CAD\$0.85

Of the total consulting fees noted above, \$144,394 (December 31, 2013 - \$225,365, December 31, 2012 - \$nil) was paid by the Company to a private company of which a related party is a 50% shareholder and director. The related party was entitled to receive \$72,197 (December 31, 2013 - \$112,683, December 31, 2012 - \$nil) of this amount. As at December 31, 2014, \$28,974 (December 31, 2013 and 2012 - \$nil) remains payable to this related company and \$10,000 remains payable to the related party. As at December 31, 2014, \$97,493 was due from Buccaneer for services performed by the Company during the year ended December 31, 2014 (December 31, 2013 - \$nil, December 31, 2012 - \$nil).

A total of 2,147,000 stock options previously granted to related parties were amended in 2014 by re-pricing these options to CAD\$0.50 per share. There were no stock options changes in 2013. In 2012, the term to maturity of 1,311,000 stock options to related parties were extended to 10 years from five years.

**10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	December 31, 2014	December 31, 2013	December 31, 2012
Cash paid during the period for:			
Interest	\$ 8,169	\$ 11,053	\$ 5,270
Income taxes	\$ —	\$ —	\$ —

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in U.S. Dollars)  
December 31, 2014

**10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd...)**

There were no significant non-cash transactions during the year ended December 31, 2014, or during the year ended December 31, 2013, nor during the year ended December 31, 2012.

**11. DEFERRED INCOME TAXES**

Income tax benefits attributable to losses from United States of America operations was \$Nil for the years ended December 31, 2014 and 2013, and differed from the amounts computed by applying the United States of America federal income tax rate of 34% to pretax losses from operations as a result of the following:

	2014	2013	2012
Loss for the year	\$ (687,058)	\$ (750,942)	\$ (7,631,636)
Computed "expected" tax (benefit) expense	\$ (234,000)	\$ (255,000)	\$ (2,671,073)
Non deductible (taxable) items	(10,000)	(83,000)	425,576
Change in statutory, foreign tax, foreign exchange and other	106,000	59,000	466,378
Valuation allowance	138,000	279,000	1,779,119
Net expected tax (benefit) expense	\$ —	\$ —	\$ —

The tax effects of temporary differences that give rise to significant deferred tax assets and deferred tax liabilities are presented below:

	2014	2013	2012
Deferred tax assets (liabilities):			
Trading securities	\$ 125,000	\$ 108,000	177,064
Equipment	168,000	258,000	—
Net operating loss carryforwards - US	2,799,000	2,690,000	1,988,971
Net operating loss carryforwards - Ghana	—	2,392,000	2,402,345
Valuation allowance	(5,586,000)	(5,448,000)	(4,568,380)
Total deferred tax assets	\$ —	\$ —	\$ —

The valuation allowance for deferred tax assets as of December 31, 2014 was \$(5,586,000) and (December 31, 2013 – \$(5,448,000), December 31, 2012 – \$(4,568,380)) respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company has not provided for deferred income taxes on the difference between the carrying value of substantially all of its foreign subsidiaries and their corresponding tax basis as the earnings of those subsidiaries are intended to be permanently reinvested in their operations. As such, the investments are not anticipated to give rise to income taxes in the foreseeable future.

**XTRA-GOLD RESOURCES CORP.**  
(An Exploration Stage Company)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in U.S. Dollars)  
December 31, 2014

**11. DEFERRED INCOME TAXES (cont'd...)**

Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in assessing the realizability of deferred tax assets. In order to fully realize the deferred tax asset attributable to net operating loss carryforwards, the Company will need to generate future taxable income of approximately \$18,200,000 prior to the expiration of the net operating loss carryforwards. Of the \$18,200,000 of operating loss carryforwards, \$8,200,000 is attributable to the US, and expires between 2014 and 2033, and the balance of \$10,000 is attributable to Ghana and expires between 2014 and 2018.

**12. SEGMENTED INFORMATION**

The Company has one reportable segment, being the exploration and development of resource properties.

Geographic information is as follows:

	December 31, 2014	December 31, 2013	December 31, 2012
Cash and restricted cash:			
Canada	\$ 704,973	\$ 1,163,651	\$ 2,152,984
Ghana	367,086	362,952	376,893
Total cash and restricted cash	<u>1,072,059</u>	<u>1,526,603</u>	<u>2,529,877</u>
Capital assets			
Canada	—	—	—
Ghana	1,367,157	1,678,235	1,922,894
Total capital assets	<u>1,367,157</u>	<u>1,678,235</u>	<u>1,922,894</u>
Total	<u>\$ 2,439,216</u>	<u>\$ 3,204,838</u>	<u>\$ 4,452,771</u>

**13. CONTINGENCY AND COMMITMENTS**

- a) The Company leases 881 square feet for its corporate office located at Suite 902, 357 Bay Street, Toronto, Ontario. The lease has a 60 month term commencing November 1, 2012, at approximately CAD\$3,667 (US\$3,161) per month.
- b) In late 2009, the Government of Ghana announced an increase in the gross overriding royalty (“GOR”) required payable by all mining companies in the country from 3% to 5%. The industry standard remained at 3% due to stability agreements which were in place with a number of companies. From the commencement of gold recovery in July 2010 to September 2010, the Company paid the GOR at 5% and as of October 2010, the Company began to pay the GOR at 3% until July 1, 2011 when the Company again paid the royalty at 5%. As a result of this decision, there is a potential unrecorded liability of \$84,300 related to 2010 activities and a recorded liability of \$120,000 related to 2011 activities. Although the Company believes it is unlikely that these amounts will become payable a provision has been recorded due to the uncertainty of the timing of the increase.
- c) There was a theft of cash totaling \$130,000 during the year ended December 31, 2013. The Company is actively pursuing the return of these funds by working with the appropriate authorities. Since the outcome of any recovery is currently not reasonably measurable, the Company has expensed these amounts. In the event that resolution of the dispute results in a recovery, the Company will recognize the recovery in the period that the final determination of the amount is made.

**13. CONTINGENCY AND COMMITMENTS (cont'd...)**

- d) Subject to disinterested shareholder approval being obtained at the Company's Annual and Special Meeting, the Company intends to re-price certain stock options to CAD\$0.15 and CAD\$0.225 per share. A non-cash expense in 2015 will result from this re-pricing.
- e) During the year ended December 31, 2014, the Company received environmental permits for its Banso and Muoso properties. These permits are subject to environmental bonds of \$385,000 and \$327,000 being posted within the year ended December 31, 2015. Should the bonds not be posted, the Company could lose the permits. The Company is currently negotiating the final balance of the environmental bonds to be posted.
- f) The Office of the Administrator of Stool Lands in Ghana has attempted to retroactively raise land rents on the Company's properties from less than \$10,000 annually to over \$300,000 annually from fiscal 2012. The Company disputes the increase and has responded by challenging the legality of the notices as prescribed by the Minister for Lands and Natural Resources as required by the Mineral and Mining Act 2006.

**14. SUBSEQUENT EVENT NOTE**

Subsequent to December 31, 2014, an aggregate of 75,400 common shares were re-purchased for US\$28,885 (CAD\$30,230) and cancelled.