

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, 2020

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

(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)

Monte Carlo #7, Paradise Island, Nassau, Bahamas

(Address of principal executive offices)

**James Longshore, 416-628-2881 (telephone), 416-981-3055 (facsimile), Shirley Street Plaza, Suite 2150, PO Box AP 59217
Nassau, Bahamas**

(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

None

Name of each exchange on which registered

Not applicable

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, 2020
Common shares	46,817,017

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 Other
International Accounting Standards Board

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

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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, 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:

- our ability to continue as a going concern
- the effect of COVID-19 on world economies and the company’s operations;
- 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.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING RESERVE AND RESOURCE ESTIMATES

The reserve and resource estimates in this Annual Report have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Unless otherwise indicated, all reserve and resource estimates included in this Annual Report have been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of Industry Guide 7 of the United States Securities and Exchange Commission (the “SEC”), and reserve and resource information contained in this Annual Report may not be comparable to similar information disclosed by United States companies. In particular, and without limiting the generality of the foregoing, the term “resource” does not equate to the term “reserve”. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC’s disclosure standards normally do not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by United States standards in documents filed with the SEC. United States investors should also understand that “inferred mineral resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” exists, is economically or legally mineable, or will ever be upgraded to a higher category. Under Canadian rules, estimated “inferred mineral resources” may not form the basis of feasibility or pre- feasibility studies except in rare cases. Disclosure of the amount of minerals contained in a resource estimate is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and reserves reported by the Company in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

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

	2020	2019	2018	2017	2016
	\$	\$	\$	\$	\$
Operating revenues	Nil	Nil	Nil	Nil	Nil
Consolidated pre tax income for the year	2,297,023	2,388,347	1,539,294	453,932	(467,711)
Net gain attributable to non-controlling interest	(141,782)	(140,390)	(233,111)	(98,077)	(13,173)
Income tax	(294,992)	Nil	Nil	Nil	Nil
Net gain (loss) attributable to Xtra-Gold Resources Corp.	1,860,249	2,247,957	1,306,183	355,855	(480,884)
Basic and diluted gain (loss) attributable to common shareholders per common share	0.04	0.05	0.03	0.01	(0.01)
Total current assets	7,739,823	5,438,857	3,258,955	1,825,755	1,593,038
Total assets	9,340,942	6,875,325	4,790,576	3,328,082	2,895,984
Total current liabilities	426,819	443,540	624,205	443,457	486,613
Total liabilities	426,819	443,540	624,205	443,457	486,613
Working capital	7,313,004	4,995,317	2,634,750	1,382,318	1,106,425
Capital stock	46,817	45,844	46,246	47,782	48,174
Total equity	8,914,123	6,431,785	4,166,371	2,884,625	2,409,371
Total Xtra-Gold Resources Corp. stockholders’ equity	9,226,864	6,886,308	4,761,284	3,712,649	3,335,472
Dividends declared per share	Nil	Nil	Nil	Nil	Nil
Basic weighted average number of common shares outstanding	46,645,387	46,095,232	47,089,027	47,948,596	47,256,630
Diluted weighted average number of common shares outstanding	49,033,887	49,589,430	49,405,027	51,339,216	47,256,630

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 2021, the amount of funds available to our company to pursue any further exploration activities at our projects could 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 2021, 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 2021 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 2021, our company may need to explore various financing alternatives to meet our projected costs and expenses. Our company cannot assure our stockholders 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, 2020, our company had an accumulated deficit of \$22,813,141. It is anticipated that our company could experience an operating loss for fiscal 2021 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 \$22,813,141 as of December 31, 2020. These factors, among others, raise substantial doubt about our ability to continue as a going concern for one year from the issuance of the financial statements. 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 resources or reserves. Due to these uncertainties, there can be no assurance that current and future exploration programs will result in the discovery of mineral resources or reserves.

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

Our company's activities are currently focused on our Kibi and Kwabeng projects. 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 or Kwabeng projects 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 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 stockholders 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 re-evaluate 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, at December 31, 2021, will be \$140,397, as to \$63,257 for our Kwabeng project, \$26,226 for our Banso and Muoso Projects, and \$50,914 for our

Pameng project, as estimated by the Environmental Protection Agency of Ghana. Our company is currently unable to predict the ultimate cost of compliance or the extent of liability risks.

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. At December 31, 2020, the company had accrued \$140,397 for repair of environmental damage during alluvial operations. These costs are supported by the environmental bond of \$296,322 posted as required by the Ghanaian government.

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 and the Canadian dollar. 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 United States 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 United States dollar or the Cedi or other currencies. Consequently, exploration and development of our projects could be costlier than anticipated.

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

Any credit crisis and related instability in the global financial system, 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 stockholders 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 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 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 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 up to 250,000,000 of shares without prior shareholder consent which will be dilutive to our shareholders.

Xtra-Gold is authorized to issue up to 250,000,000 of common shares with a par value of \$0.001 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, mineral resources and/or 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 resource and, perhaps ultimately, 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 2020

Exploration expense was incurred in 2020 as the company actively worked on its properties.

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 flagship Kibi Gold Project is located on the Apapam concession and is our only material project. The Kibi project hosts the maiden Zone 2 – Zone 3 mineral resource estimate (October 26, 2012), including the Big Bend, East Dyke, South Ridge and Mushroom deposits in Zone 2, and the Double 19 deposit in Zone 3. Collectively, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 grams per tonne (“g/t”) gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). No mineral reserves have been established on the Kibi project.

The Zone 2 – Zone 3 maiden mineral resource represents the first ever mineral resource generated on a lode gold project within the Kibi Gold Belt. Gold mineralization is characterized by auriferous quartz vein sets hosted in Belt-type granitoids geologically analogous to other “Granitoid-hosted” gold deposits of Ghana, including Kinross Gold’s Chirano and Newmont Mining’s Subika deposits in the Sefwi gold belt. The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company’s profile on SEDAR at www.sedar.com.

Drilling activities for the 2020 year focussed primarily on the following Zone 2 – Zone 3 resource expansion targets: 23 holes (3,109 metres) on the Double 19 Zone; 13 holes (1,660 metres) on the Gatehouse Zone; 8 holes (857 metres) on the Boomerang Zone; and 15 holes (2,095 metres) on the Road Cut Zone.

The 2020 resource expansion drilling on the Double 19 deposit successfully extended the gold mineralization approximately 115 metres down plunge from the previous 2012 drilling and identified a new, apparent fold limb-controlled gold zone (i.e., NW Limb Zone) along the northwest limb of the Double 19 fold structure. Recent detailed 3D litho-structural modelling indicates that the Double 19 gold mineralization is emplaced within the inner arc of a tight, steep NE-plunging, isoclinally folded diorite body. The present drilling efforts have extended the gold mineralization along the Fold Hinge zone over an approximately 285 metre down-plunge distance from surface (~150 metres vertical) and demonstrated the continuity of the NW Limb zone over an approximately 110 metre trend-length of the fold structure (~150 metre down-plunge distance), and down to a vertical depth of approximately 100 metres. The Double 19 deposit has a current inferred mineral resource of 48,000 ounces of gold (0.61 million tonnes at an average grade of 2.43 g/t gold).

The assay results for the 23 boreholes (3,109 metres) of the ongoing Double 19 resource expansion drilling program, completed from August to December 2020, were reported by the Company on October 20 and December 16, 2020, and February 17, 2021, including the following highlights:

- 55.3 metres grading 2.1 grams per tonne (“g/t”) gold, including 3.47 g/t gold over 16.6 metres, from down-hole depth of 96.2 metres in #KBDD20341; and 20.0 metres grading 1.02 g/t gold and 27.0 metres grading 2.5 g/t gold from down-hole depths of 142 metres and 187 metres respectively in #KBDD20351; confirming down plunge extension of Fold Hinge gold zone
- 61.57 metres grading 2.42 g/t gold, including 5.13 g/t gold over 21.5 metres, from down-hole depth of 18.2 metres in #KBDD20346; new fold limb gold zone on NW flank of Double 19 fold structure
- 30.0 metres grading 6.20 g/t gold, including 10.1 g/t gold over 12.0 metres, from down-hole depth of 56.0 metres in #KBDD20369 on NW Limb zone; with #KBDD20369 cross-cutting above #KBDD20346 intercept which was drilled down dip of the fold limb

- 44.0 metres grading 2.78 g/t gold, including 4.14 g/t gold over 17.5 metres and 9.10 g/t gold over 3.0 metres, from a down-hole depth of 50.5 metres in #KBDD20375 and 20.0 metres grading 1.61 g/t gold, including 2.68 g/t gold over 11.0 metres, from a down-hole depth of 92.0 metres in #KBDD20378; demonstrating continuity of NW Limb zone mineralization along approximately 110 metres trend-length of the fold structure
- 17.5 metres grading 3.89 g/t gold, including 6.03 g/t gold over 7.0 metres, from a down-hole depth of 4.5 metres in #KBDD20377; undercutting trench #TAD045 returning 6.32 g/t gold over 15.0 metres along southeastern margin of Double 19 Fold Hinge zone

The Gatehouse Zone, located approximately 500 metres southeast of the Zone 2 gold resource footprint area, was originally identified by 2011 – 2012 scout trenching / drilling targeting a gold-in-soil anomaly with a coincidental Induced Polarization (IP) / Resistivity geophysical signature. Follow up drilling of this prospect during the present 2020 resource expansion target generation program extended the mineralization approximately 235 metres further southwest along the host granitoid body than the gold zone originally outlined by the 2011 – 2012 trenching / drilling. Typical Kibi-type (Zone 2) Granitoid-hosted gold mineralization has been traced to date over an approximately 325 metre strike length and to a 165 metre vertical depth along the NE-trending Gatehouse zone.

The assay results for the 13 follow up boreholes (1,660 metres) on the Gatehouse Zone were reported by the Company on September 8, October 20, and December 16, 2020, including the following highlights:

- 14.4 metres grading 1.7 g/t gold, including 2.42 g/t gold over 4.2 metres, from a down-hole depth of 66.9 metres in #KBDD20350; 150 metre step-out from original 2012 scout drilling
- 17.0 metres grading 1.05 g/t gold, including 4.51 g/t gold over 1.0 metre, from a down-hole depth of 104.0 metres in #KBDD20352 and 12.5 metres grading 1.24 g/t gold, including 2.72 g/t gold over 4.0 metres, from a down-hole depth of 31.5 metres in #KBDD20370, approximately 50 metres down-dip and 35 metres up-dip of the #KBDD20350 intercept, respectively; establishing mineralization to a vertical depth of approximately 120 metres on the #KBDD20350 - #352 - #370 drill fence

The Boomerang Zone was originally identified during a 2012 scout drilling program designed to test geophysical targets located along the approximately 2.5 km long by 0.5 km to 1.2 km wide Zone 3 anomalous gold-in-soil trend. Follow up drilling of this prospect during the 2020 drilling campaign defined a typical Kibi-type (Zone 2) Granitoid-hosted gold zone located over 1,500 metres to the southwest of the current Zone 2 gold resource footprint. Gold mineralization at the Boomerang Zone has been traced to date over an approximately 80 metre down-plunge distance from surface along an apparent NE-plunging fold structure.

The assay results for the 8 follow up boreholes (857 metres) on the Boomerang Zone were reported by the Company on September 8 and October 20, 2020, including the following highlights:

- 43.5 metres grading 1.21 g/t gold, including 2.16 g/t gold over 7.5 metres and 4.3 g/t gold over 6.0 metres, from a down-hole depth of 3.0 metres in #KBDD20335 and 24.0 metres grading 1.35 g/t gold, including 1.99 g/t gold over 9.0 metres, from a down-hole depth of 56.5 metres in undercut hole #KBDD20338; approximately 30 metres down plunge of the #KBDD20335 gold intercept

The Road Cut Zone, lying approximately 65 metres from the southern margin of the Kibi Gold Project's flagship Big Bend gold deposit, was subjected to follow up drilling from mid-November 2019 to late April 2020 as part of the ongoing resource expansion target generation program designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts. Based on recent detailed 3D geological modelling, the follow up drilling tested the Road Cut zone with optimized North-South drill targeting, unlike the ESE-trending drill orientation utilized in the original 2011 drilling. Present drilling efforts traced the gold mineralization over an approximately 200 metre strike length and to an approximately 170 metre vertical depth within a parallel diorite body lying along the southern (footwall) flank of the Big Bend diorite. With the auriferous vein system centred on the same apparent NE-plunging, open fold hinge zone controlling the Big Bend deposit gold mineralization. The Big Bend deposit has a current indicated mineral resource of 213,000 ounces of gold (2.72 million tonnes at an average grade of 2.44 g/t gold) and an additional inferred mineral resource of 27,000 ounces of gold (0.52 million tonnes at an average grade of 1.6 g/t gold).

The assay results for the 18 follow up Road Cut zone boreholes (2,446 metres), including 3 holes (351 metres) drilled in late 2019, were reported by the Company on February 26 and September 8, 2020, including the following highlights:

- 49 metres grading 1.1 g/t gold, including 1.42 g/t gold over 31.6 metres and 45.1 metres grading 1.51 g/t gold, including 2.24 g/t gold over 26.4 metres from down-hole depths of 47 metres and 32 metres in #KBDD19304 and #KBDD20306 respectively, on adjacent 25 metre spaced drill-fan patterns

Exploration activities for the 2020 year continued to focus on the continuation of the resource expansion target generation drill program initiated in 2019. Seventy-four (74) diamond core boreholes totalling 9,615 metres were completed in 2020 with drilling efforts targeting resource expansion opportunities within the Zone 2 – Zone 3 maiden mineral resource footprint area. The target generation drilling program is designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012), test down-plunge extensions and/or fold limbs of existing resource bodies, and to test prospective litho-structural gold settings identified by recently completed 3D geological modelling. A total of 85 boreholes totaling 10,819 metres have been completed to date by the Company’s in-house drilling crews during the ongoing Zone 2 – Zone 3 resource expansion drilling program initiated in late September 2019.

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 2021, we plan to conduct:

- follow-up trenching of Zone 2 – Zone 3 early stage gold shoots / showings to guide future mineral resource expansion drilling efforts;
- prospecting, reconnaissance geology, hand augering and/or scout pitting, and trenching of high priority gold-in-soil anomalies and grassroots gold targets across the extent of the Apapam concession; and
- a diamond core drill program of approximately 12,000 metres, at an estimated cost of \$600,000, to be implemented utilizing the Company’s in-house operated drill rigs; consisting of a combination of follow up drilling of early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012) within the Zone 2 – Zone 3 maiden mineral resource footprint area and testing of prospective litho-structural gold settings identified by recently completed 3D geological modelling; and scout drilling of new grassroots gold targets across the Apapam concession.
- **Kwabeng Project.** Our Kwabeng project is located on the Kwabeng concession.

During the fiscal year for which this annual report is being filed, lode gold exploration activity on the Kwabeng project was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

See “Kwabeng 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 2021, we plan to conduct:

- 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 (commenced in March 2013).
- **Pameng Project.** Our Pameng project is located on the Pameng concession.

During the fiscal year for which this annual report is being filed, lode gold exploration activity on the Pameng project was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

As of the date of this annual report, during 2021, we plan to conduct an exploration program consisting of:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets.
- **Banso Project.** Our Banso project is located on the Banso concession.

During the fiscal year for which this annual report is being filed, lode gold exploration activity on the Banso project was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

We did not conduct any exploration work on the Banso project during the two years preceding the fiscal year

As of the date of this annual report, during 2021, we plan to conduct an exploration program consisting of:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at these projects (commenced in 2015).
- **Muoso Project.** Our Muoso project is located on the Muoso concession.

During the fiscal year for which this annual report is being filed, lode gold exploration activity on the Muoso project was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

We did not conduct any exploration work on the Muoso project during the two years preceding the fiscal year.

As of the date of this annual report, during 2021, we plan to conduct an exploration program consisting of:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at these projects (commenced in 2015).

As at the date of this annual report, we have estimated \$400,000 for the cost for soil sampling, hand augering and/or scout pitting, and trenching at our Kibi, Kwabeng, Pameng, Banso and Muoso projects in 2021. We estimate a cost of \$600,000 to complete a 12,000 metre drill program at Kibi in 2021.

Gold Recovery Operations. We continued with placer gold recovery operations at our Kwabeng, Pameng Banso and Muoso projects during the fiscal year. We recovered 5,164 ounces of raw placer gold (Kwabeng – 1,064 ounces, Pameng – 2,839 ounces, Banso – 809 ounces, and Muoso – 452 ounces) and sold 3,137 ounces of fine gold for net proceeds of \$2,373,592. As at the date of this annual report, during 2021, we plan to continue placer gold recovery operations at these projects.

Net proceeds from gold recoveries to the end of 2020, from all properties, amounted to \$20,788,231.

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

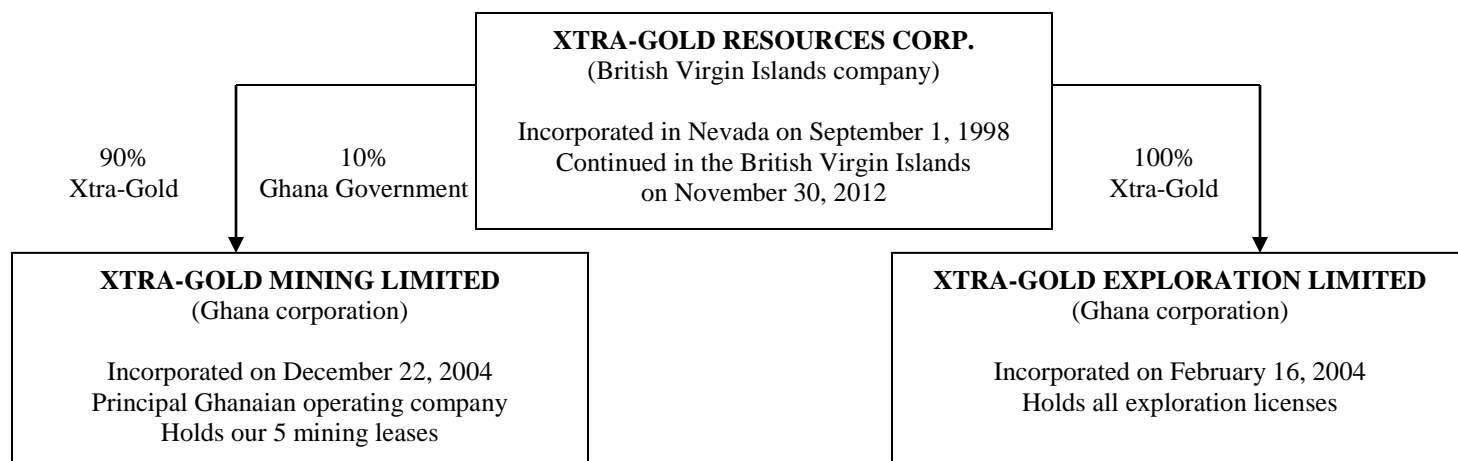
- have achieved a series of losses since inception, although we reported a profit in 2020, 2019 and 2018;
- have minimal operations, and
- relied upon the sale of our securities and the proceeds derived from our recovery of placer gold operations to fund our operations.

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. We purchased a second exploration drill, a bulldozer, a genset, and three new pickup trucks in 2020. We purchased a trommel in 2019. We purchased a generator and three pickup trucks in 2018.

C. Organizational Structure

The following organization chart sets forth our significant subsidiaries.



D. *Property, Plants and Equipment*

National Instrument 43-101 Compliance

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

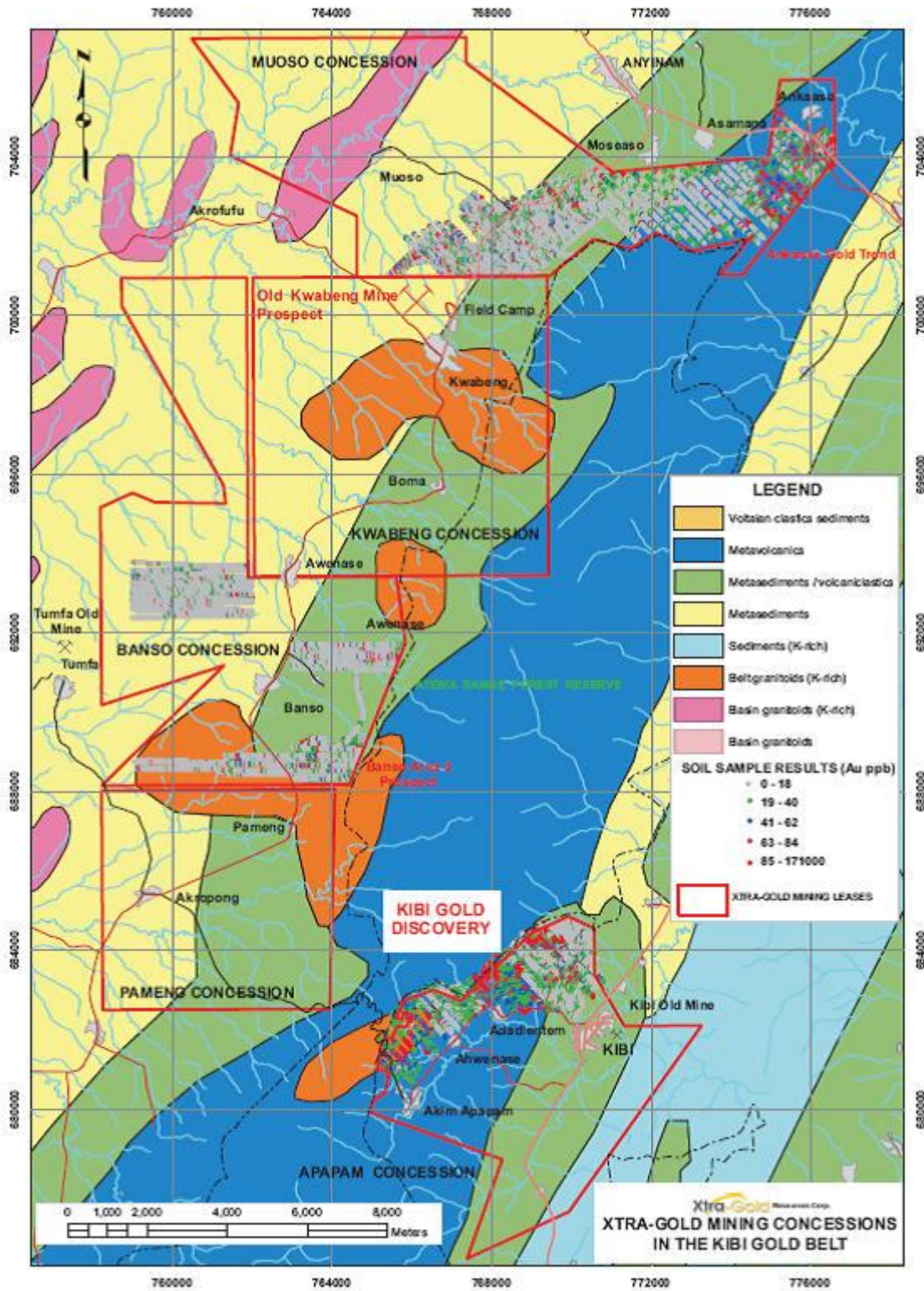
Except for the land upon which our field camp is located in Kwabeng, Ghana, we do not own any real property. We own the mineral rights on our projects located in the Kibi Gold Belt where all of our exploration activities are currently conducted. Mining leases granted by the Government of Ghana and registered 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 conduct administrative activities from our Corporate Office, located at Monte Carlo #7, Paradise Island, Nassau, Bahamas. Since there is no mail delivery service in Bahamas, our Company requires a P.O. Box at Village Road Shopping Plaza, Suite #2150, P.O. Box AP 59217, Nassau, Bahamas. We pay rent of \$2,200 monthly.

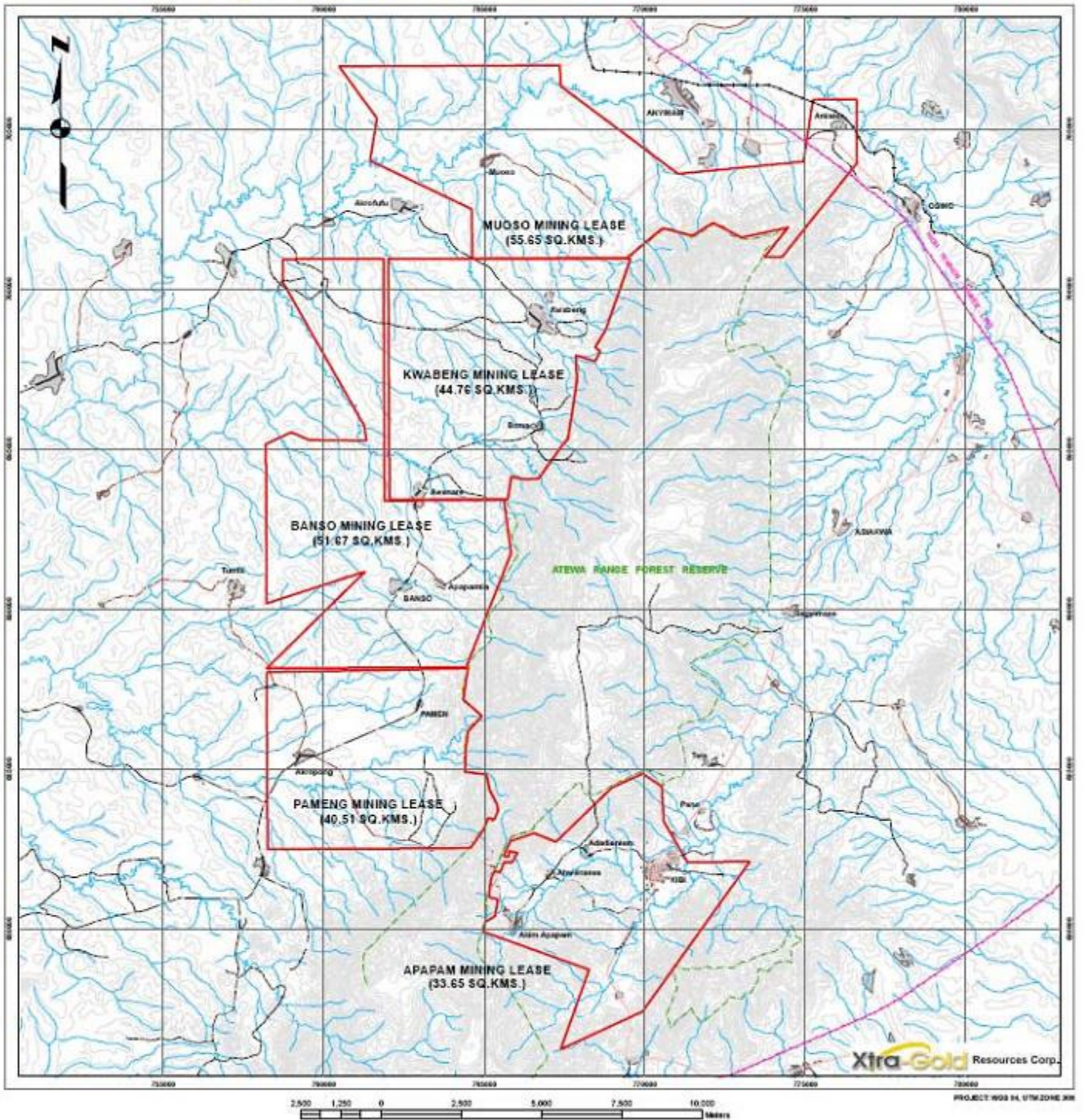
As of the date of this annual report, our technical and administrative activities are conducted at our field camp. We do not pay any rent as we own our field camp.

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

With the exception of our Kibi project, all our other projects are currently at an early stage of evaluation with no identified mineral resources or mineral reserves.

The Kibi project hosts the maiden Zone 2 – Zone 3 mineral resource estimate (October 26, 2012), including the Big Bend, East Dyke, South Ridge and Mushroom deposits in Zone 2, and the Double 19 deposit in Zone 3. Collectively, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 grams per tonne (“g/t”) gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company’s profile on SEDAR at www.sedar.com. No mineral reserves have been established on the Kibi project.

We have the following lode gold exploration activities planned for 2021:

Our strategic plan is, with respect to our mineral projects, to conduct an exploration program, consisting of the following:

at our Kibi project:

- follow-up trenching of Zone 2 – Zone 3 early stage gold shoots / showings to guide future mineral resource expansion drilling efforts;
- prospecting, reconnaissance geology, hand augering and/or scout pitting, and trenching of high priority gold-in-soil anomalies and grassroots gold targets across the extent of the Apapam concession; and
- a diamond core drill program of approximately 12,000 metres, at an estimated cost of \$600,000, to be implemented utilizing the Company’s in-house operated drill rigs; consisting of a combination of follow up drilling of early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012) within the Zone 2 – Zone 3 maiden mineral resource footprint area and testing of prospective litho-structural gold settings identified by recently completed 3D geological modelling; and scout drilling of new grassroots gold targets across the Apapam concession.

at our Kwabeng project:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at this project (commenced in March 2013);

at our Pameng project:

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

at our Banso and Muoso projects:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at these projects (commenced in 2015);

As at the date of this annual report, we have estimated \$400,000 for the cost for soil sampling, hand augering and/or scout pitting, and trenching at our Kibi, Kwabeng, Pameng, Banso and Muoso projects.

Title to Properties

The 30-year mining leases on our Kwabeng and Pameng concessions expired on July 26, 2019. The Company has applied to Minerals Commission for a renewal extension for the Kwabeng and Pameng mining leases and has submitted all the required documentation to renew and extend these leases for a further 15 years.

We are also renewing our Apapam concession, which expired on December 17, 2015. All required documentation has been filed for a 15 year renewal extension. We hold 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 (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 “Business Overview – Gold Recovery Operations” for further details).

During 2010 through 2012, we did not conduct any placer gold recovery operations at our Kwabeng project. From 2013 to 2020, we conducted placer gold recovery operations at our Kwabeng project, while adding placer gold recovery operations at Bansa and Muoso in 2015 and at Pameng in 2020.

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 Bansa 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 Deportment 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 deportment 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 (sapolite) 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 deportment study was to gain an understanding of the nature and mode of occurrence of the gold in each sample. The modified gold deportment 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 +106 μ m 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%-75 μ m by direct cyanidation and ~96% for the gravity tailings at a grind of ~50%-75 μ m. 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 \geq 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 +106 μ m 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%-75 μ m and ~99% of the gold in the gravity tailings at a grind of 50%-75 μ m. 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 $\geq 10\%$ exposed and should be leachable.

- The most simplistic processing option would be to mill the ore to ~80% -75 μm 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%-106 μm) 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 in preparation for resource estimation;
- 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 Mushroom 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_5) 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 gram per tonne (g/t) = 1 part per million (ppm) = 1,000 parts per billion (ppb)
- All gold results for our exploration programs are reported in g/t gold (Au) unless otherwise indicated

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 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 and the Apapam concession extension were submitted by our company to the Minerals Commission of Ghana on January 15, 2008 and November 19, 2009, and as at the date of this annual report, approval 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 National Instrument 43-101 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

2018 Exploration Program

Exploration activities on this project from January 1 to December 31, 2018, focussed on the continued advancement of early stage gold shoots / discoveries within the Zone 2 – Zone 3 maiden mineral resource footprint area. A planned 4,000 metre resource expansion drilling program was initiated in February at the South Ridge gold deposit on Zone 2 of the Kibi Gold Project; with a total of 26 diamond core boreholes totalling 3,414 metres completed by the Company's in-house drilling crew by the end of the 2018 year.

The assay results for the first 18 boreholes (2,272 m) of the South Ridge resource expansion drilling program completed from February 21 to September 30, 2018 were reported by the Company on August 8 and October 30, 2018 (#KBDD18257 - #KBDD18274), including the following highlights:

- 2.67 grams per tonne (“g/t”) gold over 37.78 metres (uncut), including 5.23 metres grading 13.53 g/t gold from a down-hole depth of 52.22 metres in #KBDD18263; and 27.0 metres grading 2.85 g/t gold, including 4.84 metres grading 5.12 g/t gold from a down-hole depth of 21.0 metres in #KBDD18264 (i.e., #KBDD18263 - #264 Drill Fence); extending gold mineralization in the northwestern section of the zone approximately 60 metres down dip from previous drilling forming scope of current inferred mineral resource estimate (August 8, 2018 News Release);
- 15.0 metres grading 1.19 g/t gold, including 3.25 metres grading 2.99 g/t gold from a down-hole depth of 67.8 metres in #KBDD18269; extending gold mineralization approximately 100 metres downdip from previous drilling forming scope of current inferred mineral resource estimate (October 30, 2018 News Release); and
- 25.65 metres grading 1.4 g/t gold, including 3.14 g/t gold over 5.75 metres and 3.38 g/t gold over 3.15 metres from a down-hole depth of 12.0 metres in #KBDD18270 (October 30, 2018 News Release).

These initial 18 boreholes ranging in length from 78 metres to 184 metres tested the northwestern 200 metre segment of the gold zone with a series of drill fences at 50 metre spacing; with the typically SW-trending, steeply inclined (-75°) boreholes testing the depth continuity of the auriferous system at downdip depths extending from 55 metres to 175 metres from surface. The South Ridge deposit consists of a northwest striking / northeast dipping quartz diorite-hosted gold mineralization zone traced to date along an approximately 400 metre strike length and 230 metre downdip depth from surface.

The South Ridge deposit has a current inferred mineral resource estimate of 0.9 million tonnes grading 1.48 grams per tonne (“g/t”) gold for 43,000 ounces of contained gold. The South Ridge deposit, along with the Big Bend, East Dyke, and Mushroom deposits in Zone 2 and the Double 19 deposit in Zone 3, form part of a maiden mineral resource estimate (October 26, 2012) on the Company's Kibi Gold Project. In aggregate, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 g/t gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). The Zone 2 – Zone 3 maiden mineral resource represents the first ever mineral resource generated on a lode gold project within the Kibi Gold Belt. Gold mineralization is characterized by auriferous quartz vein sets hosted in Belt-type granitoids geologically analogous to other “Granitoid-hosted” gold deposits of Ghana, including Kinross Gold's Chirano and Newmont Mining's Subika deposits in the Sefwi gold belt. The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company's profile on SEDAR at www.sedar.com.

Kibi project exploration activities for the 2018 year also included grassroots work consisting of hand auger sampling and scout pitting designed to test the subsurface signature of high priority gold-in-soil anomalies to identify follow up trenching and/or drilling targets. A total of 61 hand auger holes totalling approximately 205 metres and 16 scout pits totalling approximately 50 vertical metres were completed on the Akwadum South (“Zone 7”) and Hillcrest Shear (“Zone 6”) auriferous structural trends, located on the Apapam Mining Lease and the adjoining Akim Apapam Reconnaissance Licence application, respectively. Compilation of the geological and assay result data is in progress, and the hand auger / scout pit sampling results will be reported upon the completion of the ongoing gold-in-soil anomaly evaluation program.

2019 Exploration Program

Exploration activities on this project from January 1 to December 31, 2019, focussed on the continued advancement of early stage gold shoots / showings within the Zone 2 – Zone 3 maiden mineral resource footprint area. A total of 32 diamond core boreholes totalling 3,553 metres were completed by the Company’s in-house drilling crew during the 2019 year, including: 22 boreholes totalling 2,367 metres targeting resource expansion opportunities in the Zone 2 resource area; and 10 scout holes totalling 1,186 metres on the Akwadum South (“Zone 7”) grassroots gold-in-soil anomaly target.

The resource expansion drill program initiated in February 2018 was completed during the March 2019 quarter with 11 diamond core boreholes totalling 1,163 metres drilled from January 28 to April 1 at the South Ridge gold deposit on Zone 2 of the Kibi Gold Project. A total of 37 boreholes encompassing 4,577 metres were completed during the 2018 – 2019 resource expansion drill program with the program designed to test an approximately 400 metre strike length of the South Ridge gold zone at a nominal 50 metre section spacing and to further define the litho-structural setting of the gold mineralization.

The assay results for the final 19 boreholes (2,305 metres) of the South Ridge mineral resource expansion drill program completed from October 24, 2018 to April 1, 2019 were reported by the Company on May 1, 2019, including the following highlights:

- 30.25 metres grading 1.5 grams per tonne (“g/t”) gold, including 2.26 g/t gold over 8.5 metres and 2.56 g/t gold over 9.55 metres from a down-hole depth of 62.65 metres in #KBDD18278;
- 11.0 metres grading 3.3 g/t gold (uncut), including 5.96 g/t gold over 5.15 metres from a down-hole depth of 22.0 metres in #KBDD19287, 25 metres NW of previously reported high-grade #KBDD18264 intercept of 27.0 metres grading 2.85 g/t gold, including 4.84 metres grading 5.12 g/t gold (see the Company’s news release of August 8, 2018);
- 15.0 metres grading 2.85 g/t gold, including 5.67 g/t gold over 6.0 metres and 8.5 metres grading 3.33 g/t gold, including 6.02 g/t gold over 4.5 metres from down-hole depths of 9.0 metres and 10.5 metres in #KBDD19293 and #KBDD19292 respectively, 25 metres and 50 metres up-dip from the high-grade #KBDD18264 intercept; and
- 7.5 metres grading 6.71 g/t gold (uncut), including 31.00 g/t gold over 1.5 metres from a down-hole depth of 1.5 metres on the zone’s most northwesterly drill section.

The final phase of the resource expansion drill program (19 holes) included: a series of drill fences (12 holes) targeting the depth continuity of the southeastern 200 metre segment of the South Ridge gold zone at down-dip depths extending from approximately 70 metres to 220 metres from surface; 4 infill holes to further test the high-grade gold mineralization intersected in holes #KBDD18263 / #KBDD18264 at 25 metre section spacing; and 3 holes targeting near surface mineralization at the northwestern extremity of the South Ridge gold zone, including 2 holes testing the shallow, up-dip extension of the previously reported #KBDD18264 high-grade gold mineralization (see the Company’s news release of August 8, 2018).

The 2018 – 2019 South Ridge drilling data was outsourced to Goldspot Discoveries Inc. (“Goldspot”) of Montreal, Canada for integration into an updated 3D geological model of the Zone 2 – Zone 3 mineral resource footprint area. The new 3D geological model was completed by Goldspot in late July 2019 with the detailed modelling geared towards the identification of prospective litho-structural gold settings to help guide upcoming resource expansion drilling efforts.

The South Ridge deposit consists of a northwest striking / northeast dipping quartz diorite-hosted gold mineralization body traced to date along an approximately 400 metre strike length and 230 metre down-dip depth from surface. Gold mineralization is associated with quartz-albite-carbonate-sulphide vein arrays developed within the quartz diorite body.

The South Ridge deposit has a current inferred mineral resource estimate of 0.9 million tonnes grading 1.48 grams per tonne (“g/t”) gold for 43,000 ounces of contained gold. The South Ridge deposit, along with the Big Bend, East Dyke, and Mushroom deposits in Zone 2 and the Double 19 deposit in Zone 3, form part of a maiden mineral resource estimate (October 26, 2012) on the Company’s Kibi Gold Project. In aggregate, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 g/t gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). The Zone 2 – Zone 3 maiden mineral resource represents the first ever mineral resource generated on a lode gold project within the Kibi Gold Belt. Gold mineralization is characterized by auriferous quartz vein sets hosted in Belt-type granitoids geologically analogous to other “Granitoid-hosted” gold deposits of Ghana, including Kinross Gold’s Chirano and Newmont Mining’s Subika deposits in the Sefwi gold belt. The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company’s profile on SEDAR at www.sedar.com.

A target generation drilling program geared towards the identification of new resource expansion opportunities within the Zone 2 – Zone 3 maiden mineral resource footprint area of the Kibi Gold Project was initiated in late September 2019; with a total of 11 diamond core boreholes totaling 1,204 metres completed by the Company’s in-house drilling crew by the end of the 2019 year. The ongoing drilling program is designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012) and to test prospective litho-structural gold settings identified by recently completed 3D geological modelling.

The assay results for the initial 16 boreholes (1,643 metres) of the ongoing resource expansion target generation program completed from September 24, 2019 to January 27, 2020 were reported by the Company on February 26, 2020, including the following highlights:

- 49 metres grading 1.1 grams per tonne (“g/t”) gold, including 1.42 g/t gold over 31.6 metres and 45.1 metres grading 1.51 g/t gold, including 2.24 g/t gold over 26.4 metres from down-hole depths of 47 metres and 32 metres in #KBDD19304 and #KBDD20306 respectively, on adjacent 25 metre spaced drill-fan patterns (Road Cut Zone);
- gold mineralization now traced over an approximately 110 metre strike length and to 90 metre vertical depth on the Road Cut Zone; with newly developing gold body lying within 65 metres of the southern margin (footwall) of the flagship Big Bend gold deposit; and
- step-out drilling successfully traced gold mineralization over an approximately 200 metre strike length of the host diorite body to the southeast of the South Ridge gold deposit; including exploration significant drill intercepts of 1.5 metres grading 4.94 g/t gold and 6.2 metres grading 0.87 g/t gold in #KBDD19297 and #KBDD19303 respectively (South Ridge – SE Extension target).

The initial phase of the resource expansion target generation drill program focussed primarily on the Road Cut Zone and the South Ridge – SE Extension target with 8 holes (790.5 metres) and 4 holes (468 metres) on each target respectively. The Road Cut Zone was subjected to follow up drilling with North-South drill targeting based on recent detailed geological modelling work. The drilling (8 holes) tested the ENE-trending / steep northerly dipping Road Cut auriferous system over an approximately 100 metre strike length, including: three (3) south trending drill-fan patterns (-55° / -75°) at 25 metre spacing and two (2) northerly trending boreholes (scissor-pattern) designed to further define the geometry / attitude of the host diorite body and of the gold-bearing vein system.

To date gold mineralization has been traced over an approximately 110 metre strike length and to a 90 metre vertical depth on the Road Cut Zone; with the newly developing gold body lying within 65 metres of the southern margin (footwall) of the Kibi Gold Project’s flagship Big Bend gold deposit. The Road Cut auriferous vein system is emplaced in a parallel diorite body exhibiting a similar NW to ENE flexure in strike-geometry has the flexure appearing to control the Big Bend deposit gold mineralization. The Big Bend deposit has a current indicated mineral resource of 213,000 ounces of gold (2.72 million tonnes at an average grade of 2.44 g/t gold) and an additional inferred mineral resource of 27,000 ounces of gold (0.52 million tonnes at an average grade of 1.6 g/t gold).

Step-out drilling (4 holes) successfully traced gold mineralization over an approximately 200 metre strike length of the host diorite body to the southeast of the South Ridge gold deposit (i.e., South Ridge – SE Extension target). Of exploration significance are typical Kibi-type granitoid hosted gold mineralization intercepts produced by a drill-fan pattern (-60° / -80°) collared approximately 200 metres southeast of the South Ridge resource body, including: 5.2 metres grading 0.41 g/t gold from a down-hole depth of 62.8 metres in the upper #KBDD19302 hole; and 6.2 metres grading 0.87 g/t gold from a down-hole depth of 73 metres in the lower #KBDD19303 hole, approximately 25 metres down dip from the #KBDD19302 intercept.

Exploration efforts on the Kibi Gold Project during the 2019 year also included a scout drilling program on the high-priority Akwadum South (“Zone 7”) gold-in-soil anomaly located at the southeastern extremity of the Apapam concession; with the first pass drilling program forming part of an ongoing exploration initiative geared towards the continued advancement of grassroots gold targets across the Apapam concession. A total of 10 boreholes (1,186 metres) ranging in depth from 73 metres to 190 metres were completed by the company’s in-house drilling crew from late May to mid-September 2019. The scout drilling program was designed to test an approximately 1,000 metre strike-length of the Akwadum South gold target and to further define the litho-structural setting of the gold mineralization. Final compilation of the geological and assay result data is currently ongoing.

The Akwadum South target is characterized by an approximately 1,200 metres long by 100 metres to 400 metres wide, NE-trending gold-in-soil anomaly spatially associated with a volcanoclastic rock package exhibiting widespread silica alteration, quartz veining and sulphide mineralization. Of the 157 soil geochemistry samples collected from the Akwadum South gold-in-soil trend: 11 yielded less than 25 parts per billion (“ppb”) gold; 89 returned gold values from 25 ppb to 100 ppb; 50 between 100 ppb to 300 ppb gold; and 7 samples yielded values over 300 ppb gold, including maximum gold values of 444 ppb and 725 ppb.

In early September 2019, also in relation to our Kibi Gold Project, Tect Geological Consulting of West Somerset, South Africa (“Tect”) conducted a structural analysis / interpretation of the Cobra Creek gold zone located at the northeast extremity of the Apapam concession. The study encompassing structural mapping and drill core observations, in combination with compilation of existing surface sampling and geophysical data, was designed to further define the structural controls of the gold mineralization and provide high-priority exploration targets to help guide future drilling campaigns on the Cobra Creek gold zone. The Company received the final product of the Tect structural study in late September, including a generative exploration model for the Cobra Creek project, and study result compilation is currently ongoing.

Xtra-Gold completed 2,639 metres of drilling comprised of 43 diamond core holes on the Cobra Creek gold zone in 2016. Initial drilling efforts yielded some very exploration significant high-grade mineralized intercepts, including highlights of 4.5 metres grading 10.9 g/t gold and 5.2 metres grading 9.51 g/t gold (see the Company’s news release of October 19, 2016).

In mid-May 2019, Xtra-Gold engaged Goldspot Discoveries Inc. (“Goldspot”) of Montreal, Canada to undertake a multifaceted target generation study, including: 3D Geological Modeling of the Zone 2 – Zone 3 maiden mineral resource footprint area on the Kibi gold project; and Traditional Targeting encompassing geophysical / structural / geochemistry datasets and Machine Learning Targeting (i.e., Artificial Intelligence) covering all five (5) of the company’s Kibi Gold Belt concessions. The Company received the final product of the Goldspot study in late July and study result compilation is currently ongoing.

2020 Exploration Program

Exploration activities on this project from January 1 to December 31, 2020, being the fiscal year for which this annual report is being filed, focussed primarily on the following Zone 2 – Zone 3 resource expansion targets: 23 holes (3,109 metres) on the Double 19 Zone; 13 holes (1,660 metres) on the Gatehouse Zone; 8 holes (857 metres) on the Boomerang Zone; and 15 holes (2,095 metres) on the Road Cut Zone.

The Kibi project hosts the maiden Zone 2 – Zone 3 mineral resource estimate (October 26, 2012), including the Big Bend, East Dyke, South Ridge and Mushroom deposits in Zone 2, and the Double 19 deposit in Zone 3. Collectively, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 grams per tonne (“g/t”) gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). No mineral reserves have been established on the Kibi project.

The Zone 2 – Zone 3 maiden mineral resource represents the first ever mineral resource generated on a lode gold project within the Kibi Gold Belt. Gold mineralization is characterized by auriferous quartz vein sets hosted in Belt-type granitoids geologically analogous to other “Granitoid-hosted” gold deposits of Ghana, including Kinross Gold’s Chirano and Newmont Mining’s Subika deposits in the Sefwi gold belt. The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company’s profile on SEDAR at www.sedar.com.

The 2020 resource expansion drilling on the Double 19 deposit successfully extended the gold mineralization approximately 115 metres down plunge from the previous 2012 drilling and identified a new, apparent fold limb-controlled gold zone (i.e., NW Limb Zone) along the northwest limb of the Double 19 fold structure. Recent detailed 3D litho-structural modelling indicates that the Double 19 gold mineralization is emplaced within the inner arc of a tight, steep NE-plunging, isoclinally folded diorite body. The present drilling efforts have extended the gold mineralization along the Fold Hinge zone over an approximately 285 metre down-plunge distance from surface (~150 metres vertical) and demonstrated the continuity of the NW Limb zone over an approximately 110 metre trend-length of the fold structure (~150 metre down-plunge distance), and down to a vertical depth of approximately 100 metres. The Double 19 deposit has a current inferred mineral resource of 48,000 ounces of gold (0.61 million tonnes at an average grade of 2.43 g/t gold).

The assay results for the 23 boreholes (3,109 metres) of the ongoing Double 19 resource expansion drilling program, completed from August to December 2020, were reported by the Company on October 20 and December 16, 2020, and February 17, 2021, including the following highlights:

- 55.3 metres grading 2.1 grams per tonne (“g/t”) gold, including 3.47 g/t gold over 16.6 metres, from down-hole depth of 96.2 metres in #KBDD20341; and 20.0 metres grading 1.02 g/t gold and 27.0 metres grading 2.5 g/t gold from down-hole depths of 142 metres and 187 metres respectively in #KBDD20351; confirming down plunge extension of Fold Hinge gold zone

- 61.57 metres grading 2.42 g/t gold, including 5.13 g/t gold over 21.5 metres, from down-hole depth of 18.2 metres in #KBDD20346; new fold limb gold zone on NW flank of Double 19 fold structure
- 30.0 metres grading 6.20 g/t gold, including 10.1 g/t gold over 12.0 metres, from down-hole depth of 56.0 metres in #KBDD20369 on NW Limb zone; with #KBDD20369 cross-cutting above #KBDD20346 intercept which was drilled down dip of the fold limb
- 44.0 metres grading 2.78 g/t gold, including 4.14 g/t gold over 17.5 metres and 9.10 g/t gold over 3.0 metres, from a down-hole depth of 50.5 metres in #KBDD20375 and 20.0 metres grading 1.61 g/t gold, including 2.68 g/t gold over 11.0 metres, from a down-hole depth of 92.0 metres in #KBDD20378; demonstrating continuity of NW Limb zone mineralization along approximately 110 metres trend-length of the fold structure
- 17.5 metres grading 3.89 g/t gold, including 6.03 g/t gold over 7.0 metres, from a down-hole depth of 4.5 metres in #KBDD20377; undercutting trench #TAD045 returning 6.32 g/t gold over 15.0 metres along southeastern margin of Double 19 Fold Hinge zone

The Gatehouse Zone, located approximately 500 metres southeast of the Zone 2 gold resource footprint area, was originally identified by 2011 – 2012 scout trenching / drilling targeting a gold-in-soil anomaly with a coincidental Induced Polarization (IP) / Resistivity geophysical signature. Follow up drilling of this prospect during the present 2020 resource expansion target generation program extended the mineralization approximately 235 metres further southwest along the host granitoid body than the gold zone originally outlined by the 2011 – 2012 trenching / drilling. Typical Kibi-type (Zone 2) Granitoid-hosted gold mineralization has been traced to date over an approximately 325 metre strike length and to a 165 metre vertical depth along the NE-trending Gatehouse zone.

The assay results for the 13 follow up boreholes (1,660 metres) on the Gatehouse Zone were reported by the Company on September 8, October 20, and December 16, 2020, including the following highlights:

- 14.4 metres grading 1.7 g/t gold, including 2.42 g/t gold over 4.2 metres, from a down-hole depth of 66.9 metres in #KBDD20350; 150 metre step-out from original 2012 scout drilling
- 17.0 metres grading 1.05 g/t gold, including 4.51 g/t gold over 1.0 metre, from a down-hole depth of 104.0 metres in #KBDD20352 and 12.5 metres grading 1.24 g/t gold, including 2.72 g/t gold over 4.0 metres, from a down-hole depth of 31.5 metres in #KBDD20370, approximately 50 metres down-dip and 35 metres up-dip of the #KBDD20350 intercept, respectively; establishing mineralization to a vertical depth of approximately 120 metres on the #KBDD20350 - #352 - #370 drill fence

The Boomerang Zone was originally identified during a 2012 scout drilling program designed to test geophysical targets located along the approximately 2.5 km long by 0.5 km to 1.2 km wide Zone 3 anomalous gold-in-soil trend. Follow up drilling of this prospect during the 2020 drilling campaign defined a typical Kibi-type (Zone 2) Granitoid-hosted gold zone located over 1,500 metres to the southwest of the current Zone 2 gold resource footprint. Gold mineralization at the Boomerang Zone has been traced to date over an approximately 80 metre down-plunge distance from surface along an apparent NE-plunging fold structure.

The assay results for the 8 follow up boreholes (857 metres) on the Boomerang Zone were reported by the Company on September 8 and October 20, 2020, including the following highlights:

- 43.5 metres grading 1.21 g/t gold, including 2.16 g/t gold over 7.5 metres and 4.3 g/t gold over 6.0 metres, from a down-hole depth of 3.0 metres in #KBDD20335 and 24.0 metres grading 1.35 g/t gold, including 1.99 g/t gold over 9.0 metres, from a down-hole depth of 56.5 metres in undercut hole #KBDD20338; approximately 30 metres down plunge of the #KBDD20335 gold intercept

The Road Cut Zone, lying approximately 65 metres from the southern margin of the Kibi Gold Project's flagship Big Bend gold deposit, was subjected to follow up drilling from mid-November 2019 to late April 2020 as part of the ongoing resource expansion target generation program designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts. Based on recent detailed 3D geological modelling, the follow up drilling tested the Road Cut zone with optimized North-South drill targeting, unlike the ESE-trending drill orientation utilized in the original 2011 drilling. Present drilling efforts traced the gold mineralization over an approximately 200 metre strike length and to an approximately 170 metre vertical depth within a parallel diorite body lying along the southern (footwall) flank of the Big Bend diorite. With the auriferous vein system centred on the same apparent NE-plunging, open fold hinge zone controlling the Big Bend deposit gold mineralization. The Big Bend deposit has a current indicated mineral resource of 213,000 ounces of gold (2.72 million tonnes at an average grade of 2.44 g/t gold) and an additional inferred mineral resource of 27,000 ounces of gold (0.52 million tonnes at an average grade of 1.6 g/t gold).

The assay results for the 18 follow up Road Cut zone boreholes (2,446 metres), including 3 holes (351 metres) drilled in late 2019, were reported by the Company on February 26 and September 8, 2020, including the following highlights:

- 49 metres grading 1.1 g/t gold, including 1.42 g/t gold over 31.6 metres and 45.1 metres grading 1.51 g/t gold, including 2.24 g/t gold over 26.4 metres from down-hole depths of 47 metres and 32 metres in #KBDD19304 and #KBDD20306 respectively, on adjacent 25 metre spaced drill-fan patterns

Exploration activities for the 2020 year continued to focus on the continuation of the resource expansion target generation drill program initiated in 2019. Seventy-four (74) diamond core boreholes totalling 9,615 metres were completed in 2020 with drilling efforts targeting resource expansion opportunities within the Zone 2 – Zone 3 maiden mineral resource footprint area. The target generation drilling program is designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012), test down-plunge extensions and/or fold limbs of existing resource bodies, and to test prospective litho-structural gold settings identified by recently completed 3D geological modelling. A total of 85 boreholes totaling 10,819 metres have been completed to date by the Company's in-house drilling crews during the ongoing Zone 2 – Zone 3 resource expansion drilling program initiated in late September 2019.

Future Exploration Plans

2021 Proposed Exploration Program

As at the date of this annual report, during 2021, we plan to conduct:

- follow-up trenching of Zone 2 – Zone 3 early stage gold shoots / showings to guide future mineral resource expansion drilling efforts;
- prospecting, reconnaissance geology, hand augering and/or scout pitting, and trenching of high priority gold-in-soil anomalies and grassroots gold targets across the extent of the Apapam concession; and
- a diamond core drill program of approximately 12,000 metres, at an estimated cost of \$600,000, to be implemented utilizing the Company's in-house operated drill rigs; consisting of a combination of follow up drilling of early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012) within the Zone 2 – Zone 3 maiden mineral resource footprint area and testing of prospective litho-structural gold settings identified by recently completed 3D geological modelling; and scout drilling of new grassroots gold targets across the Apapam concession.

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 10 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 Intertek Minerals Limited, an ISO 17025:2005 accredited 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 three times by industry standard 50 gram fire assay fusion with atomic absorption spectroscopy finish; with the arithmetic average of the three 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

There were no placer gold recovery operations carried out at this project from 2012 to 2020.

Mineral Resources and Reserves

No mineral reserves have been identified on our Kibi project. The Kibi project hosts the maiden Zone 2 – Zone 3 mineral resource estimate (October 26, 2012), including the Big Bend, East Dyke, South Ridge and Mushroom deposits in Zone 2, and the Double 19 deposit in Zone 3. Collectively, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 grams per tonne (“g/t”) gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company’s profile on SEDAR at www.sedar.com.

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 Kibi 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 had a seven year term which expired on December 17, 2015.

All required documentation to extend the lease for our Kibi Project (formerly known as the Apapam Project) for 15 years from December 17, 2015 has been submitted to the Ghana Minerals Commission. As these extensions generally take years for the regulatory review to be completed, the Company is not yet in receipt of the extension approval. However, until the Company receives the extension documents, the old lease remains in force under the mineral laws. The extension is in accordance with the terms of application and payment of 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.

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 (“ground rents”) fees to the Government of Ghana in the amount of approximately \$21,172 (GH¢124,540.80), when the renewal extension is granted; 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 Atiwa West 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, the company does not feel an accurate calculation of the remaining cubic metres and grade figures on our Kibi, Kwabeng and Pameng projects can be made. 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

2018 Exploration Program

Exploration work on our Kwabeng project during the 2018 year was limited to a single scout diamond core borehole (104.5 m) on a grassroots gold target.

2019 Exploration Program

Exploration work on our Kwabeng project during the 2019 year was limited to the Goldspot target generation study.

2020 Exploration Program

Exploration work on our Kwabeng project during the 2020 year was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

2021 Proposed Exploration Program.

As at the date of this annual report, during 2021, we plan to conduct:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at this project commenced in March 2013 to present.

Recovery and Sale of Placer Gold

As at December 31, 2020, we have sold an aggregate of 19,814 fine ounces of gold from placer gold recovered from the mineralized material at our Kwabeng project during 2007, 2008, and 2013 to 2020 fiscal years. 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 2009 through 2012.

The gold price (approximately \$1,735 per ounce as at March 25, 2020) is significantly greater compared to the approximately \$300 per ounce gold price during the previous mining effort by the former operator of this project. On the basis of an annual recovery of placer gold of approximately 700,000 bank cubic meters, we anticipate that recovery of placer gold operations at this project could be sustained for 3 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.

Resumption of Placer Gold Recovery Operations at our Kwabeng Project

Placer gold recovery operations at our Kwabeng project resumed in 2013. As stated elsewhere in this annual report, we plan to focus our efforts and our financial resources primarily on planned exploration activities on our Kwabeng project (see “Kwabeng Project – 2021 Exploration Program”).

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.

Resources and Reserves

No mineral resources or 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 applied for a 15 year renewal extension. 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 ground rents of approximately \$27,868 (GH¢163,926.83), when the renewal extension is granted.

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 Expenditures

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

2018 Exploration Programs

No significant lode gold exploration work was conducted in 2018 on this project.

2019 Exploration Programs

Exploration activities on our Pameng project during the 2019 year was limited to the Goldspot target generation study.

2020 Exploration Programs

Exploration activities on our Pameng project during the 2020 year was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

Future Exploration Plans for 2021

As at the date of this annual report, during 2021, 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, 4,720 ounces of gold was recovered and produced by the contract miners from our Pameng project for which we received and sold 897 ounces of gold for gross proceeds of \$1,128,451. During 2011, 5,621 ounces of gold was recovered and produced by the contract miners at this project for which we received and sold 1,068 ounces of gold for \$1,489,058. During 2012, we sold 53 ounces of gold for gross proceeds of \$87,997 which was the remaining payment we had received from the contract miners during their 2010 and 2011 placer gold recovery operations at this project. No placer gold recovery operations were conducted at this project from 2012 to 2019. Gold recovery operations resumed in 2020 and 1,366 ounces of gold were sold for \$2,373,592.

Mineral Reserves

No mineral resources or 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 applied for a 15-year renewal extension. 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 ground rents payable in the amount of approximately \$25,142 (GH¢147,892.20), when the renewal extension is granted.

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 have 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 had never been a detailed documented bedrock exploration program conducted on this concession.

2018 to 2020 Exploration Programs

No significant lode gold exploration work was conducted by our company on our Banso project from 2013 to 2020. Exploration activities on our Muoso project during the 2020 year was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

Future Exploration Plans for 2021

As at the date of this annual report, during 2021, we have planned the following exploration activities at this project:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at these projects (commenced in 2015 to present).

Mineral Reserves

No mineral resources or 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 ground rents in the amount of approximately \$32,155 (GH¢189,146.34).

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 have 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 had never been a detailed documented bedrock exploration program conducted on this concession.

Prior Exploration by Xtra-Gold

No significant lode gold exploration work was conducted by our company on our Muoso project from 2014 through to the end of our fiscal year. Exploration activities on our Muoso project during the 2020 year was limited to airborne geophysical survey compilation and satellite remote sensing imagery.

Future Exploration Plans for 2021

As at the date of this annual report, during 2021, we have planned the following exploration activities at this project:

- ongoing geological compilation, prospecting, soil geochemical sampling, hand augering and/or scout pitting, and trenching to identify and/or further advance grassroots targets; and
- the continuation of placer gold recovery operations at these projects (commenced in 2015 to present).

Resources and Reserves

No mineral resources or 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 ground rents payable in the amount of approximately \$34,404 (GH¢202,378.80).

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.

Item 4A Unresolved Staff Comments

Not applicable.

Item 5 Operating and Financial Review and Prospects

A. Operating Results –

Our company reported a net gain after tax for the year ended December 31, 2020 of \$1,860,249 (December 31, 2019 – gain of \$2,247,957, December 31, 2018 – gain of \$1,306,183). Our company's basic and diluted gain per share for the year ended December 31, 2020 was \$0.04 (December 31, 2019 - \$0.05, December 31, 2018 - \$0.03). All years benefited from gold recovery results. The 2020 and 2019 years also benefited from a large gain on investment portfolio holdings.

The weighted average number of shares outstanding was 46,645,387 (December 31, 2019 – 46,095,232, December 31, 2018 - 47,089,027). Average shares were increased in 2020 via the exercise of warrants and stock options, and reduced from share repurchases. Average shares outstanding were reduced in 2019 and 2018 through share repurchases. Average fully diluted shares in 2020 were 49,033,887 (2019 - 49,589,430, 2018 - 49,405,027), with the difference being in the money stock options and warrants. These items did not materially affect earnings per share.

We incurred expenses of \$1,481,612 in the year ended December 31, 2020 (December 31, 2019 - \$961,058, December 31, 2018 - \$887,037). Exploration expense in 2020 was increased from 2019 with the addition of a second drill and a more intense hard-rock exploration program. Exploration expense in 2019 was at the same level as those in 2018 as the company actively worked on its properties. We expense all exploration costs. Amortization in 2020 increased with the late-2019 addition of a trommel and with the 2020 addition of a drill, pickup trucks and a dozer. Amortization in 2019 was at the same level as during 2018 with the addition of a trommel to help with gold recovery operations (and recognition of value decrease for some assets). Amortization increased in 2018 with the addition of a generator and three new pickup trucks. General and administrative expense in 2020 of \$578,176 increased from \$344,710 in 2019 and \$282,294 in 2018. The company initiated increased marketing efforts in 2020 and 2019 to improve stock prices. Non-cash stock-based compensation expense increase to \$196,115 in 2020 from \$10,642 in 2019 and from \$33,437 in 2018. The company granted 534,000 stock options in 2020. Revaluation of consultants' options in 2020 did not materially affect the 2020 expense. No options were granted in 2019, with the expense related to valuation of consultant's options. No options were issued in 2018, with the expense related to vested options.

Exploration activities for the 2020 year continued to focus on the Company's flagship Kibi Gold Project (Apapam Mining Lease) with the continuation of the resource expansion target generation drill program initiated in 2019. Seventy-four (74) diamond core boreholes totalling 9,615 metres were completed in 2020 with drilling efforts targeting resource expansion opportunities within the Zone 2 – Zone 3 maiden mineral resource footprint area. The target generation drilling program is designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012), test down-plunge extensions and/or fold limbs of existing resource bodies, and to test prospective litho-structural gold settings identified by recently completed 3D geological modelling. A total of 85 boreholes totaling 10,819 metres have been completed to date by the Company's in-house drilling crews during the ongoing Zone 2 – Zone 3 resource expansion drilling program initiated in late September 2019.

The maiden Kibi Gold Project mineral resource estimate (October 26, 2012) encompasses the Big Bend, East Dyke, South Ridge and Mushroom deposits in Zone 2 and the Double 19 deposit in Zone 3. In aggregate, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 g/t gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). The Zone 2 – Zone 3 maiden mineral resource represents the first ever mineral resource generated on a lode gold project within the Kibi Gold Belt. Gold mineralization is characterized by auriferous quartz vein sets hosted in Belt-type granitoids geologically analogous to other "Granitoid-hosted" gold deposits of Ghana, including Kinross Gold's Chirano and Newmont Mining's Subika deposits in the Sefwi gold belt. The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled "*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*", prepared by SEMS Explorations and dated October 31, 2012, filed under the Company's profile on SEDAR at www.sedar.com.

Drilling activities for the 2020 year focussed primarily on the following Zone 2 – Zone 3 resource expansion targets: 23 holes (3,109 metres) on the Double 19 Zone; 13 holes (1,660 metres) on the Gatehouse Zone; 8 holes (857 metres) on the Boomerang Zone; and 15 holes (2,095 metres) on the Road Cut Zone.

The 2020 resource expansion drilling on the Double 19 deposit successfully extended the gold mineralization approximately 115 metres down plunge from the previous 2012 drilling and identified a new, apparent fold limb-controlled gold zone (i.e., NW Limb Zone) along the northwest limb of the Double 19 fold structure. Recent detailed 3D litho-structural modelling indicates that the Double 19 gold mineralization is emplaced within the inner arc of a tight, steep NE-plunging, isoclinally folded diorite body. The present drilling efforts have extended the gold mineralization along the Fold Hinge zone over an approximately 285 metre down-plunge distance from surface (~150 metres vertical) and demonstrated the continuity of the NW Limb zone over an approximately 110 metre trend-length of the fold structure (~150 metre down-plunge distance), and down to a vertical depth of approximately 100 metres. The Double 19 deposit has a current inferred mineral resource of 48,000 ounces of gold (0.61 million tonnes at an average grade of 2.43 g/t gold).

The assay results for the 23 boreholes (3,109 metres) of the ongoing Double 19 resource expansion drilling program, completed from August to December 2020, were reported by the Company on October 20 and December 16, 2020, and February 17, 2021, including the following highlights:

- 55.3 metres grading 2.1 grams per tonne (“g/t”) gold, including 3.47 g/t gold over 16.6 metres, from down-hole depth of 96.2 metres in #KBDD20341; and 20.0 metres grading 1.02 g/t gold and 27.0 metres grading 2.5 g/t gold from down-hole depths of 142 metres and 187 metres respectively in #KBDD20351; confirming down plunge extension of Fold Hinge gold zone
- 61.57 metres grading 2.42 g/t gold, including 5.13 g/t gold over 21.5 metres, from down-hole depth of 18.2 metres in #KBDD20346; new fold limb gold zone on NW flank of Double 19 fold structure
- 30.0 metres grading 6.20 g/t gold, including 10.1 g/t gold over 12.0 metres, from down-hole depth of 56.0 metres in #KBDD20369 on NW Limb zone; with #KBDD20369 cross-cutting above #KBDD20346 intercept which was drilled down dip of the fold limb
- 44.0 metres grading 2.78 g/t gold, including 4.14 g/t gold over 17.5 metres and 9.10 g/t gold over 3.0 metres, from a down-hole depth of 50.5 metres in #KBDD20375 and 20.0 metres grading 1.61 g/t gold, including 2.68 g/t gold over 11.0 metres, from a down-hole depth of 92.0 metres in #KBDD20378; demonstrating continuity of NW Limb zone mineralization along approximately 110 metres trend-length of the fold structure
- 17.5 metres grading 3.89 g/t gold, including 6.03 g/t gold over 7.0 metres, from a down-hole depth of 4.5 metres in #KBDD20377; undercutting trench #TAD045 returning 6.32 g/t gold over 15.0 metres along southeastern margin of Double 19 Fold Hinge zone

The Gatehouse Zone, located approximately 500 metres southeast of the Zone 2 gold resource footprint area, was originally identified by 2011 – 2012 scout trenching / drilling targeting a gold-in-soil anomaly with a coincidental Induced Polarization (IP) / Resistivity geophysical signature. Follow up drilling of this prospect during the present 2020 resource expansion target generation program extended the mineralization approximately 235 metres further southwest along the host granitoid body than the gold zone originally outlined by the 2011 – 2012 trenching / drilling. Typical Kibi-type (Zone 2) Granitoid-hosted gold mineralization has been traced to date over an approximately 325 metre strike length and to a 165 metre vertical depth along the NE-trending Gatehouse zone.

The assay results for the 13 follow up boreholes (1,660 metres) on the Gatehouse Zone were reported by the Company on September 8, October 20, and December 16, 2020, including the following highlights:

- 14.4 metres grading 1.7 g/t gold, including 2.42 g/t gold over 4.2 metres, from a down-hole depth of 66.9 metres in #KBDD20350; 150 metre step-out from original 2012 scout drilling
- 17.0 metres grading 1.05 g/t gold, including 4.51 g/t gold over 1.0 metre, from a down-hole depth of 104.0 metres in #KBDD20352 and 12.5 metres grading 1.24 g/t gold, including 2.72 g/t gold over 4.0 metres, from a down-hole depth of 31.5 metres in #KBDD20370, approximately 50 metres down-dip and 35 metres up-dip of the #KBDD20350 intercept, respectively; establishing mineralization to a vertical depth of approximately 120 metres on the #KBDD20350 - #352 - #370 drill fence

The Boomerang Zone was originally identified during a 2012 scout drilling program designed to test geophysical targets located along the approximately 2.5 km long by 0.5 km to 1.2 km wide Zone 3 anomalous gold-in-soil trend. Follow up drilling of this prospect during the 2020 drilling campaign defined a typical Kibi-type (Zone 2) Granitoid-hosted gold zone located over 1,500 metres to the southwest of the current Zone 2 gold resource footprint. Gold mineralization at the Boomerang Zone has been traced to date over an approximately 80 metre down-plunge distance from surface along an apparent NE-plunging fold structure.

The assay results for the 8 follow up boreholes (857 metres) on the Boomerang Zone were reported by the Company on September 8 and October 20, 2020, including the following highlights:

- 43.5 metres grading 1.21 g/t gold, including 2.16 g/t gold over 7.5 metres and 4.3 g/t gold over 6.0 metres, from a down-hole depth of 3.0 metres in #KBDD20335 and 24.0 metres grading 1.35 g/t gold, including 1.99 g/t gold over 9.0 metres, from a down-hole depth of 56.5 metres in undercut hole #KBDD20338; approximately 30 metres down plunge of the #KBDD20335 gold intercept

The Road Cut Zone, lying approximately 65 metres from the southern margin of the Kibi Gold Project's flagship Big Bend gold deposit, was subjected to follow up drilling from mid-November 2019 to late April 2020 as part of the ongoing resource expansion target generation program designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts. Based on recent detailed 3D geological modelling, the follow up drilling tested the Road Cut zone with optimized North-South drill targeting, unlike the ESE-trending drill orientation utilized in the original 2011 drilling. Present drilling efforts traced the gold mineralization over an approximately 200 metre strike length and to an approximately 170 metre vertical depth within a parallel diorite body lying along the southern (footwall) flank of the Big Bend diorite. With the auriferous vein system centred on the same apparent NE-plunging, open fold hinge zone controlling the Big Bend deposit gold mineralization. The Big Bend deposit has a current indicated mineral resource of 213,000 ounces of gold (2.72 million tonnes at an average grade of 2.44 g/t gold) and an additional inferred mineral resource of 27,000 ounces of gold (0.52 million tonnes at an average grade of 1.6 g/t gold).

The assay results for the 18 follow up Road Cut zone boreholes (2,446 metres), including 3 holes (351 metres) drilled in late 2019, were reported by the Company on February 26 and September 8, 2020, including the following highlights:

- 49 metres grading 1.1 g/t gold, including 1.42 g/t gold over 31.6 metres and 45.1 metres grading 1.51 g/t gold, including 2.24 g/t gold over 26.4 metres from down-hole depths of 47 metres and 32 metres in #KBDD19304 and #KBDD20306 respectively, on adjacent 25 metre spaced drill-fan patterns

Exploration activities on our Kwabeng, Pameng, Bansa and Muoso projects during the 2020 year were limited to airborne geophysical survey compilation and satellite remote sensing imagery.

Exploration activities for the 2019 year focused on the Kibi Gold Project located on the Apapam Mining Lease with exploration efforts primarily geared towards the continued advancement of early stage gold shoots / showings within the Zone 2 – Zone 3 maiden mineral resource footprint area. A total of 32 diamond core boreholes totalling 3,553 metres were completed by the Company's in-house drilling crew during the 2019 year, including: 22 boreholes totalling 2,367 metres targeting resource expansion opportunities in the Zone 2 resource area; and 10 scout holes totalling 1,186 metres on the Akwadum South ("Zone 7") grassroots gold-in-soil anomaly target.

The resource expansion drill program initiated in February 2018 was completed during the March 2019 quarter with 11 diamond core boreholes totalling 1,163 metres drilled from January 28 to April 1 at the South Ridge gold deposit on Zone 2 of the Kibi Gold Project. A total of 37 boreholes encompassing 4,577 metres were completed during the 2018 – 2019 resource expansion drill program with the program designed to test an approximately 400 metre strike length of the South Ridge gold zone at a nominal 50 metre section spacing and to further define the litho-structural setting of the gold mineralization.

The assay results for the final 19 boreholes (2,305 metres) of the South Ridge mineral resource expansion drill program completed from October 24, 2018 to April 1, 2019 were reported by the Company on May 1, 2019, including the following highlights:

- 30.25 metres grading 1.5 grams per tonne ("g/t") gold, including 2.26 g/t gold over 8.5 metres and 2.56 g/t gold over 9.55 metres from a down-hole depth of 62.65 metres in #KBDD18278;
- 11.0 metres grading 3.3 g/t gold (uncut), including 5.96 g/t gold over 5.15 metres from a down-hole depth of 22.0 metres in #KBDD19287, 25 metres NW of previously reported high-grade #KBDD18264 intercept of 27.0 metres grading 2.85 g/t gold, including 4.84 metres grading 5.12 g/t gold (see the Company's news release of August 8, 2018);

- 15.0 metres grading 2.85 g/t gold, including 5.67 g/t gold over 6.0 metres and 8.5 metres grading 3.33 g/t gold, including 6.02 g/t gold over 4.5 metres from down-hole depths of 9.0 metres and 10.5 metres in #KBDD19293 and #KBDD19292 respectively, 25 metres and 50 metres up-dip from the high-grade #KBDD18264 intercept; and
- 7.5 metres grading 6.71 g/t gold (uncut), including 31.00 g/t gold over 1.5 metres from a down-hole depth of 1.5 metres on the zone's most northwesterly drill section.

The final phase of the resource expansion drill program (19 holes) included: a series of drill fences (12 holes) targeting the depth continuity of the southeastern 200 metre segment of the South Ridge gold zone at down-dip depths extending from approximately 70 metres to 220 metres from surface; 4 infill holes to further test the high-grade gold mineralization intersected in holes #KBDD18263 / #KBDD18264 at 25 metre section spacing; and 3 holes targeting near surface mineralization at the northwestern extremity of the South Ridge gold zone, including 2 holes testing the shallow, up-dip extension of the previously reported #KBDD18264 high-grade gold mineralization (see the Company's news release of August 8, 2018).

The 2018 – 2019 South Ridge drilling data was outsourced to Goldspot Discoveries Inc. (“Goldspot”) of Montreal, Canada for integration into an updated 3D geological model of the Zone 2 – Zone 3 mineral resource footprint area. The new 3D geological model was completed by Goldspot in late July 2019 with the detailed modelling geared towards the identification of prospective litho-structural gold settings to help guide upcoming resource expansion drilling efforts.

The South Ridge deposit consists of a northwest striking / northeast dipping quartz diorite-hosted gold mineralization body traced to date along an approximately 400 metre strike length and 230 metre down-dip depth from surface. Gold mineralization is associated with quartz-albite-carbonate-sulphide vein arrays developed within the quartz diorite body.

The South Ridge deposit has a current inferred mineral resource estimate of 0.9 million tonnes grading 1.48 grams per tonne (“g/t”) gold for 43,000 ounces of contained gold. The South Ridge deposit, along with the Big Bend, East Dyke, and Mushroom deposits in Zone 2 and the Double 19 deposit in Zone 3, form part of a maiden mineral resource estimate (October 26, 2012) on the Company's Kibi Gold Project. In aggregate, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 g/t gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). The Zone 2 – Zone 3 maiden mineral resource represents the first ever mineral resource generated on a lode gold project within the Kibi Gold Belt. Gold mineralization is characterized by auriferous quartz vein sets hosted in Belt-type granitoids geologically analogous to other “Granitoid-hosted” gold deposits of Ghana, including Kinross Gold's Chirano and Newmont Mining's Subika deposits in the Sefwi gold belt. The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company's profile on SEDAR at www.sedar.com.

A target generation drilling program geared towards the identification of new resource expansion opportunities within the Zone 2 – Zone 3 maiden mineral resource footprint area of the Kibi Gold Project was initiated in late September 2019; with a total of 11 diamond core boreholes totaling 1,204 metres completed by the Company's in-house drilling crew by the end of the 2019 year. The ongoing drilling program is designed to follow up on early stage gold shoots / showings discovered by previous drilling / trenching efforts (2008 – 2012) and to test prospective litho-structural gold settings identified by recently completed 3D geological modelling.

The assay results for the initial 16 boreholes (1,643 metres) of the ongoing resource expansion target generation program completed from September 24, 2019 to January 27, 2020 were reported by the Company on February 26, 2020, including the following highlights:

- 49 metres grading 1.1 grams per tonne (“g/t”) gold, including 1.42 g/t gold over 31.6 metres and 45.1 metres grading 1.51 g/t gold, including 2.24 g/t gold over 26.4 metres from down-hole depths of 47 metres and 32 metres in #KBDD19304 and #KBDD20306 respectively, on adjacent 25 metre spaced drill-fan patterns (Road Cut Zone);
- gold mineralization now traced over an approximately 110 metre strike length and to 90 metre vertical depth on the Road Cut Zone; with newly developing gold body lying within 65 metres of the southern margin (footwall) of the flagship Big Bend gold deposit; and
- step-out drilling successfully traced gold mineralization over an approximately 200 metre strike length of the host diorite body to the southeast of the South Ridge gold deposit; including exploration significant drill intercepts of 1.5 metres grading

4.94 g/t gold and 6.2 metres grading 0.87 g/t gold in #KBDD19297 and #KBDD19303 respectively (South Ridge – SE Extension target).

The initial phase of the resource expansion target generation drill program focussed primarily on the Road Cut Zone and the South Ridge – SE Extension target with 8 holes (790.5 metres) and 4 holes (468 metres) on each target respectively. The Road Cut Zone was subjected to follow up drilling with North-South drill targeting based on recent detailed geological modelling work. The drilling (8 holes) tested the ENE-trending / steep northerly dipping Road Cut auriferous system over an approximately 100 metre strike length, including: three (3) south trending drill-fan patterns (-55° / -75°) at 25 metre spacing and two (2) northerly trending boreholes (scissor-pattern) designed to further define the geometry / attitude of the host diorite body and of the gold-bearing vein system.

To date gold mineralization has been traced over an approximately 110 metre strike length and to a 90 metre vertical depth on the Road Cut Zone; with the newly developing gold body lying within 65 metres of the southern margin (footwall) of the Kibi Gold Project's flagship Big Bend gold deposit. The Road Cut auriferous vein system is emplaced in a parallel diorite body exhibiting a similar NW to ENE flexure in strike-geometry has the flexure appearing to control the Big Bend deposit gold mineralization. The Big Bend deposit has a current indicated mineral resource of 213,000 ounces of gold (2.72 million tonnes at an average grade of 2.44 g/t gold) and an additional inferred mineral resource of 27,000 ounces of gold (0.52 million tonnes at an average grade of 1.6 g/t gold).

Step-out drilling (4 holes) successfully traced gold mineralization over an approximately 200 metre strike length of the host diorite body to the southeast of the South Ridge gold deposit (i.e., South Ridge – SE Extension target). Of exploration significance are typical Kibi-type granitoid hosted gold mineralization intercepts produced by a drill-fan pattern (-60° / -80°) collared approximately 200 metres southeast of the South Ridge resource body, including: 5.2 metres grading 0.41 g/t gold from a down-hole depth of 62.8 metres in the upper #KBDD19302 hole; and 6.2 metres grading 0.87 g/t gold from a down-hole depth of 73 metres in the lower #KBDD19303 hole, approximately 25 metres down dip from the #KBDD19302 intercept.

Exploration efforts on the Kibi Gold Project during the 2019 year also included a scout drilling program on the high-priority Akwadum South ("Zone 7") gold-in-soil anomaly located at the southeastern extremity of the Apapam concession; with the first pass drilling program forming part of an ongoing exploration initiative geared towards the continued advancement of grassroots gold targets across the Apapam concession. A total of 10 boreholes (1,186 metres) ranging in depth from 73 metres to 190 metres were completed by the company's in-house drilling crew from late May to mid-September 2019. The scout drilling program was designed to test an approximately 1,000 metre strike-length of the Akwadum South gold target and to further define the litho-structural setting of the gold mineralization. Final compilation of the geological and assay result data is currently ongoing.

The Akwadum South target is characterized by an approximately 1,200 metres long by 100 metres to 400 metres wide, NE-trending gold-in-soil anomaly spatially associated with a volcanoclastic rock package exhibiting widespread silica alteration, quartz veining and sulphide mineralization. Of the 157 soil geochemistry samples collected from the Akwadum South gold-in-soil trend: 11 yielded less than 25 parts per billion ("ppb") gold; 89 returned gold values from 25 ppb to 100 ppb; 50 between 100 ppb to 300 ppb gold; and 7 samples yielded values over 300 ppb gold, including maximum gold values of 444 ppb and 725 ppb.

In early September 2019, also in relation to our Kibi Gold Project, Tect Geological Consulting of West Somerset, South Africa ("Tect") conducted a structural analysis / interpretation of the Cobra Creek gold zone located at the northeast extremity of the Apapam concession. The study encompassing structural mapping and drill core observations, in combination with compilation of existing surface sampling and geophysical data, was designed to further define the structural controls of the gold mineralization and provide high-priority exploration targets to help guide future drilling campaigns on the Cobra Creek gold zone. The Company received the final product of the Tect structural study in late September, including a generative exploration model for the Cobra Creek project, and study result compilation is currently ongoing.

Xtra-Gold completed 2,639 metres of drilling comprised of 43 diamond core holes on the Cobra Creek gold zone in 2016. Initial drilling efforts yielded some very exploration significant high-grade mineralized intercepts, including highlights of 4.5 metres grading 10.9 g/t gold and 5.2 metres grading 9.51 g/t gold (see the Company's news release of October 19, 2016).

In mid-May 2019, Xtra-Gold engaged Goldspot Discoveries Inc. ("Goldspot") of Montreal, Canada to undertake a multifaceted target generation study, including: 3D Geological Modeling of the Zone 2 – Zone 3 maiden mineral resource footprint area on the Kibi gold project; and Traditional Targeting encompassing geophysical / structural / geochemistry datasets and Machine Learning Targeting (i.e., Artificial Intelligence) covering all five (5) of the company's Kibi Gold Belt concessions. The Company received the final product of the Goldspot study in late July and study result compilation is currently ongoing.

Exploration activities on our Kwabeng, Pameng, Banso, and Muoso projects during the 2019 year were limited to the Goldspot target generation study.

During 2018, in connection with our Kibi project, exploration activities focussed on the continued advancement of early stage gold shoots / discoveries within the Zone 2 – Zone 3 maiden mineral resource footprint area. A planned 4,000 metre resource expansion drilling program was initiated in February at the South Ridge gold deposit on Zone 2 of the Kibi Gold Project; with a total of 26 diamond core boreholes totalling 3,414 metres completed by the Company's in-house drilling crew by the end of the 2018 year.

The assay results for the first 18 boreholes (2,272 m) of the South Ridge resource expansion drilling program completed from February 21 to September 30, 2018 were reported by the Company on August 8 and October 30, 2018 (#KBDD18257 - #KBDD18274), including the following highlights:

- 2.67 grams per tonne (“g/t”) gold over 37.78 metres (uncut), including 5.23 metres grading 13.53 g/t gold from a down-hole depth of 52.22 metres in #KBDD18263; and 27.0 metres grading 2.85 g/t gold, including 4.84 metres grading 5.12 g/t gold from a down-hole depth of 21.0 metres in #KBDD18264 (i.e., #KBDD18263 - #264 Drill Fence); extending gold mineralization in the northwestern section of the zone approximately 60 metres down dip from previous drilling forming scope of current inferred mineral resource estimate (August 8, 2018 News Release);
- 15.0 metres grading 1.19 g/t gold, including 3.25 metres grading 2.99 g/t gold from a down-hole depth of 67.8 metres in #KBDD18269; extending gold mineralization approximately 100 metres downdip from previous drilling forming scope of current inferred mineral resource estimate (October 30, 2018 News Release); and
- 25.65 metres grading 1.4 g/t gold, including 3.14 g/t gold over 5.75 metres and 3.38 g/t gold over 3.15 metres from a down-hole depth of 12.0 metres in #KBDD18270 (October 30, 2018 News Release).

These initial 18 boreholes ranging in length from 78 metres to 184 metres tested the northwestern 200 metre segment of the gold zone with a series of drill fences at 50 metre spacing; with the typically SW-trending, steeply inclined (-75°) boreholes testing the depth continuity of the auriferous system at downdip depths extending from 55 metres to 175 metres from surface. The South Ridge deposit consists of a northwest striking / northeast dipping quartz diorite-hosted gold mineralization zone traced to date along an approximately 400 metre strike length and 230 metre downdip depth from surface.

The South Ridge deposit has a current inferred mineral resource estimate of 0.9 million tonnes grading 1.48 grams per tonne (“g/t”) gold for 43,000 ounces of contained gold. The South Ridge deposit, along with the Big Bend, East Dyke, and Mushroom deposits in Zone 2 and the Double 19 deposit in Zone 3, form part of a maiden mineral resource estimate (October 26, 2012) on the Company's Kibi Gold Project. In aggregate, these five gold deposits lying within approximately 1.6 kilometres of each other are estimated to encompass an indicated mineral resource of 3.38 million tonnes grading 2.56 g/t gold for 278,000 ounces of contained gold and an additional inferred mineral resource of 2.35 million tonnes grading 1.94 g/t gold for 147,000 ounces of contained gold (@ base case 0.5 g/t cut-off). The Zone 2 – Zone 3 maiden mineral resource represents the first ever mineral resource generated on a lode gold project within the Kibi Gold Belt. Gold mineralization is characterized by auriferous quartz vein sets hosted in Belt-type granitoids geologically analogous to other “Granitoid-hosted” gold deposits of Ghana, including Kinross Gold's Chirano and Newmont Mining's Subika deposits in the Sefwi gold belt. The above mineral resource estimate was filed in accordance with National Instrument 43-101 (NI 43-101) requirements with the Technical Report entitled “*Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana*”, prepared by SEMS Explorations and dated October 31, 2012, is filed under the Company's profile on SEDAR at www.sedar.com.

Kibi project exploration activities for the 2018 year also included grassroots work consisting of hand auger sampling and scout pitting designed to test the subsurface signature of high priority gold-in-soil anomalies to identify follow up trenching and/or drilling targets. A total of 61 hand auger holes totalling approximately 205 metres and 16 scout pits totalling approximately 50 vertical metres were completed on the Akwadum South (“Zone 7”) and Hillcrest Shear (“Zone 6”) auriferous structural trends, located on the Apapam Mining Lease and the adjoining Akim Apapam Reconnaissance Licence application, respectively. Compilation of the geological and assay result data is in progress, and the hand auger / scout pit sampling results will be reported upon the completion of the ongoing gold-in-soil anomaly evaluation program.

Exploration work on our Kwabeng project during the 2018 year was limited to a single scout diamond core borehole (104.5 m) on a grassroots gold target. In connection with our Pameng project, a total of 1,658 soil samples and 234 prospecting grab samples corresponding to a 90.5 line-kilometre soil geochemistry program implemented in 2014 were submitted to the laboratory for analysis during the current reporting period; with the compilation of the geological and assay result data currently ongoing. We did not conduct any exploration activities on our Banso and Muoso projects during the 2018 year.

We recognized gains related to other items of \$3,778,635 in 2020 (2019 - \$3,349,405, 2018 - \$2,426,331). The gains can mostly be attributed to the recovery of gold and gain on sales of securities. During the year ended December 31, 2020, we sold 3,137 fine

ounces of gold at an average price of US\$1,695 for net proceeds of \$2,373,592 (2019 – 2,945 fine ounces of gold at an average price of \$1,356 for net proceeds of \$1,878,198, 2018 – 4,346 ounces of gold at an average price of \$1,262 for net proceeds of \$2,791,014). 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.

Embedded derivatives resulted from issuing Canadian denominated warrants in the May 2016 financing. Because the Company's functional currency is the US dollar, Canadian denominated warrants must be considered expense items and reported on a mark-to-market basis. During 2018 the term of these warrants was extended to February 2020.

We recognized a mark-to-market recovery of expense of \$137,313 on warrants in 2020 (2019 – expense of \$21,250, 2018 – expense of \$114,793), related to extending the warrants to February 2020. Canadian dollar denominated warrants were issued with financings. 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.

During the year ended December 31, 2020, our company had a foreign exchange loss of \$124,558 (2019 – loss of \$40,849, 2018 – loss of \$234,063) mostly due to strength in the U.S. dollar against the Ghana cedi. The Canadian dollar strengthened against the US dollar in 2020 and 2019 but weakened in 2018. During 2020, the Canadian dollar demonstrated weakness against the US dollar, which affected Canadian expenses incurred.

Our company recognized a trading and holding gain on marketable securities in 2020 of \$1,346,699 (2019 - gain of \$1,485,100, 2018 - loss of \$31,723). Gains in 2020 were recognized throughout the portfolio, with significant gains reported on several investments. Most of the 2019 gain resulted on the appreciation and sale of one security in Q3 2019. 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 is related to the security sold, previously recognized in unrealized gains and losses, is reversed.

Other income of \$45,589 (2019 - \$48,476, 2018 - \$15,896) mostly relates to interest and dividends on investment portfolio assets.

Recent Capital Raising Transactions

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 2020, the company issued 885,000 shares at CAD\$0.50 per share for cash proceeds of \$334,132 on the exercise of warrants and issued 346,500 shares at prices between CAD\$0.15 and CAD\$0.50 per share for cash proceeds of \$71,912 on the exercise of stock options.

There were no capital raising transactions in 2019, nor in 2018.

B. *Liquidity and Capital Resources*

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.

Cash on hand was increased by \$470,017 during 2020. Operations provided cash of \$505,415. Cash of \$1,378,637 was used to purchase investments in 2020 while proceeds from the sale of investments generated \$1,562,517 of cash. Inventory was increased by \$448,944 due to the timing of smelt shipments. Prepaids were decreased as balances advanced before smelt shipments were completed were reduced in 2020. Payables were increased, mostly due to an accrual for income taxes payable in Ghana related to 2020 operations. Payables decreased in 2020 as there were no Q4 shipments of gold and therefore no royalty expense accrual. Other operating expenses were mostly cash neutral. Cash of \$319,590 was used to purchase a fixed assets, mostly a second drill and a dozer, during 2020. Cash of \$121,852 was used to repurchase shares in 2020. Cash proceeds of \$406,044 were received on the exercise of stock options and warrants.

During the year ended December 31, 2020, our company repurchased 233,600 of our shares at a cost of \$107,565 and cancelled these shares. Also, during the year ended December 31, 2019, the company repurchased 25,000 of our shares at a cost of \$9,430. These shares were reported as shares in treasury at December 31, 2019 and were cancelled in January 2020. Further, during the year ended December 31, 2020, the company repurchased 5,200 of our shares at a cost of \$4,857. These shares were reported as shares in treasury at December 31, 2020 and were cancelled in January 2021.

In the year ended December 31, 2019, our company repurchased and cancelled 401,800 of our shares at a cost of \$124,145 (December 31, 2018 – repurchased and cancelled 1,536,500 of our shares at a cost of \$290,985).

At December 31, 2020, accounts payable and accrued liabilities increased by \$139,110 to \$286,422, mostly due to a \$200,000 income tax accrual (December 31, 2019 - \$147,313, December 31, 2018 - \$320,184). In addition, with no gold shipments in the fourth quarter, royalty payments to the government for the third quarter were remitted, reducing our balances payable. Our cash and cash equivalents as at December 31, 2020 were sufficient to pay these liabilities. We believe that our company has sufficient working capital to achieve our 2020 operating plan. However, our historical losses raise substantial doubt about our ability to continue as a going concern. Our auditors have issued an explanatory paragraph in their audit opinion for the year end December 31, 2020.

Inventory increased substantially in 2020 as the gold shipment to smelt was delayed until January 2021. This inventory generated \$3.5 million of cash in January 2021.

At December 31, 2020, we had total cash and cash equivalents and restricted cash of \$4,747,578 (December 31, 2018 - \$4,277,561, December 31, 2018 - \$2,860,447). Working capital as of December 31, 2020 was \$7,313,004 (December 31, 2019 - \$4,995,317, December 31, 2018 - \$2,634,750). The 2020 increase in working capital mostly reflects the revenue from gold recovery and the gain on the investment portfolio, combined with gold inventory on hand. The 2019 increase in working capital mostly reflects the revenue from gold recovery and the gain on sale of investments. The 2018 increase in working capital mostly reflects the revenue from gold recovery.

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 31, 2021, December 31, 2020, December 31, 2019, and December 31, 2018 were as follows:

	March 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Common Shares	46,899,917	46,817,017	45,844,117	46,245,917
Warrants	—	—	1,250,000	1,250,000
Stock Options	2,506,000	2,636,000	2,615,000	2,615,000
Fully diluted	49,405,917	49,453,017	49,709,117	50,110,917

Subsequent to December 31, 2020, 5,200 shares which were purchased in December 2020 were cancelled. In January 2021 and February 2021, a total of 41,900 shares were purchased and cancelled. Subsequent to December 31, 2020, 130,000 stock options were exercised for shares, which provided CAD\$38,000 of cash.

As of the date of this MD&A, the exercise of all outstanding options would raise approximately \$0.9 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 2021 budget to carry out our plan of operations is approximately \$1,800,000 as disclosed in our Plan of Operations section above and in our 20-F annual report under Item 4.B – Information on Xtra-Gold – Business Overview”. 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 2021. However, our losses raise substantial doubt about our ability to continue as a going concern. Our auditors have issued an explanatory paragraph in their audit opinion for the year end December 31, 2020.

Going Concern

The Company is in development as an exploration company. It may need financing for its exploration and acquisition activities. Although the Company has incurred a gain of \$1,860,249 for the year ended December 31, 2020, it has an accumulated a deficit of \$22,813,141. Results for the year ended December 31, 2020 are not necessarily indicative of future results. The uncertainty of gold recovery and the fact the Company does not have a demonstrably viable business to provide future funds, raises substantial doubt about its ability to continue as a going concern for one year from the issuance of the financial statements. 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 related to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management of the Company ("Management") is of the opinion that sufficient financing will be obtained from external sources and further share issuances will be made to meet the Company's obligations. 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.

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. Trends

Gold prices closed in 2020 at \$1,888 per ounce, above the 2020 average of \$1,770 per ounce. The low for 2020 occurred in March, with prices gradually demonstrating strength from that time forward. We continue to see positive indicators for gold prices in the future.

The WHO-declared coronavirus pandemic continues to create a significant amount of economic uncertainty across the world. While gold prices originally surged with this announcement, prices have fallen back recently with a global asset sell off. Indicators are of significant spending programs by all governments to combat this issue while supporting national economies.

The coronavirus has negatively affected world GDP's and resulted in significant amounts of money printing by governments. This response has resulted in inflation in previous cycles.

Gold does well in times of uncertainty. National, corporate and individual debt levels increase this uncertainty and leave less room to safely manage any potential crisis.

Gold prices per ounce over the year ended December 31, 2020 and previous two years are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
High	\$ 2,067	\$ 1,546	\$ 1,355
Low	1,474	1,270	1,178
Average	1,770	1,392	1,268

The tone for the precious metals market in the near future will depend on the U.S. dollar strength. While the US Federal Reserve has continued to express a neutral stance to interest rates, current events have led to significant rate decreases recently. The focus going forward will be on how much economic growth, government deficits and debts affect the ability of the Federal Reserve to increase future rates or shrink its balance sheet. Any further wobble or extension of the time to address the issues related to the pandemic in the US economy could interfere with the rate increases and create uncertainty about the US economy, which would be good for gold prices.

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.

Currently, Covid-19 has not affected any of the Company's operations in Ghana. The first cases of Covid-19 were detected much later in Ghana than other parts of the world, and Government action has limited the incidence of transmission. The Company continues to monitor the potential effects on its operations and is implementing protocol to hopefully help in minimize its impact. However, investors are cautioned this is an evolving issue, and that there is not guarantee the Company's protocols will be effective.

E. *Off-Balance Sheet Arrangements*

Our company has no off-balance sheet arrangements.

F. *Tabular Disclosure of Contractual Obligations*

Our company does not have any material contractual obligations as of December 31, 2020.

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 and mineral resources, 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;
- the effect of COVID-19 on world economies and the company's operations;
- 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.

Item 6 Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth, as of December 31, 2020, 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.

Name, Municipality of Residence and Position Held with the Company	Age	Principal Occupation	Date of Appointment or Election	Other Principal Directorships
James Longshore ⁽⁵⁾⁽⁶⁾ Rose Island, Bahamas Manager Director, Ghana Operations	54	President and CEO Xtra-Gold Resources Corp., and Manager Director of Ghana Operations	January 3, 2009	none

Name, Municipality of Residence and Position Held with the Company	Age	Principal Occupation	Date of Appointment or Election	Other Principal Directorships
Denis Laviolette ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario Director	35	Vice President Palisade Global Investments	June 22, 2015	none
Peter Minuk ⁽⁵⁾⁽⁶⁾ Toronto, Ontario Secretary and Treasurer and Director	56	Self-employed business consultant	March 5, 2007	none
James Harold Schweitzer ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾ Scarborough, Ontario Director	82	Retired businessman	June 11, 2011	none
Yves P. Clement ⁽⁵⁾⁽⁶⁾ Vancouver, British Columbia Vice-President, Exploration	55	Geologist and Vice-President, Exploration of Xtra-Gold Resources Corp.	May 1, 2006	Director of Tartisan Nickel Corp. since January 2016 (CSE:TN)
Victor Nkansa ⁽⁵⁾⁽⁶⁾ Accra, Ghana Vice-President, Ghana Operations	62	Chief Financial Officer and Vice-President, Ghana Operations of Xtra-Gold Resources Corp.	December 22, 2009	none

Hans Julian Morsches ⁽¹⁾⁽²⁾⁽³⁾ Kansas City, Missouri Director	62	Senior Market Manager, Unum	June 22, 2015	none
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- (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.

James Longshore

President and CEO, Manager Director of Ghana Operations

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. Effective September 23, 2015, Mr. Longshore became Chief Executive Officer and Chairman of the Board. Mr. Longshore has been overseeing our operations in Ghana as the Managing Director of our subsidiaries, XG Mining and XGEL since 2009. Mr. Longshore has more than 25 years of business investment experience in resource companies.

Currently, Mr. Longshore is a director of Good2go2 Corp. and High Mountain 2 Capital Corporation. Mr. Longshore is not an officer and/or director of any other public company, at the current time. During 2019, Mr. Longshore was a director of Hempco Food and Fibre Inc.

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 Managing Director of 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.

Denis Laviolette, B.Sc, Earth Science (Geology)

Mr. Laviolette is an exploration professional with approximately 10 years of experience in mining and capital markets. Mr. Laviolette is a co-founder, CEO & President and Director of GoldSpot Discoveries (TSX.V:SPOT) and is co-founder and President and Director of New Found Gold Corp. Mr. Laviolette worked with mineral projects in (Timmins, Kirkland Lake and Red Lake),... Mr. Laviolette received his B.Sc, Earth Science (Geology) from Brock University, in St. Catharines, Ontario. Mr. Laviolette was employed as a mining analyst with Pinetree Capital Ltd. (“Pinetree”) in Toronto since February 2014 to September 2015. His responsibilities at Pinetree include market/portfolio analysis, reviewing and vetting assets from a technical perspective and providing valuation estimates, analyzing and summarizing technical reports on resources, feasibility and corporate financial statements.

Mr. Laviolette has been and is currently chief geologist/partner/operator of M.A. Resources Ltd., a privately held alluvial mining and exploration company in Ghana since February 2013 to the present time. From February 2012 to February 2013, he was the senior geologist for Buccaneer Gold Corp. in Ghana. From February 2011 to February 2012, he was the senior project geologist for Xtra-Gold in connection with its Kibi Gold Belt, located in the Apapam Concession in Ghana. From March 2010 to February 2011, Mr. Laviolette was a Production Geologist for Kirkland Lake Gold Inc. at its Macassa Gold Mine in Kirkland Lake, Ontario. From November 2009 to March 2010, he was a Production Geologist for Lakeshore Gold Corp. at its Timmins West Mine, in Timmins, Ontario.

Peter Minuk

Secretary and Treasurer and 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. Mr. Minuk served as interim Chief Executive Officer of the company from June 22, 2015 to September 23, 2015. Mr. Minuk has more than 25 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.

Name of Company	Position(s) Held	Term of Office
Buccaneer Gold Corp. (1)	Corporate Secretary	April 2011 to August 2015

(1) Buccaneer Gold Corp. is a mineral exploration CSE 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.

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

Mr. Clement was appointed Vice-President, Exploration of our company in May 2006. Mr. Clement has over 30 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, South America, and Africa. 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.

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 and Chief Financial Officer on June 22, 2015. His responsibilities include overseeing our operations in Ghana under the supervision of our President and CEO, and General Manager of our Ghanaian subsidiaries, James Longshore. 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 28 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.

Hans Julian Morsches. B.A., M.A.

Mr. Morsches is the Managing Director of Unum at its Kansas City and St. Louis regional offices in Missouri and is a 30 year insurance industry veteran. He has been in his current role since May 1999 and has overall responsibility for the Unum brand in Missouri, Kansas, Iowa, Nebraska and southern Illinois. Prior to moving to Kansas City, he was National Vice President for Sales for Unum Canada located in Toronto from September 1989 to May 1999. Unum is a Fortune 270 insurance company and has been an employee benefits market leader for 35 years generating US\$10.5 billion annual revenue.

Mr. Morsches received his B.A., Liberal Arts from Vanderbilt University, Nashville, Tennessee in 1980 and his Masters of International Management from the American Graduate School of International Management in 1983.

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 2020.

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\$)	Non-equity incentive plan compensation Annual incentive plans	Total compensation (US\$)
James Longshore	Director President and CEO Manager Director of Ghana	2020	-	-	-	-
		2020	- ⁽²⁾	-	-	-
		2020	385,764 ⁽³⁾	-	-	385,764

	Operations					
Denis Laviolette	Director	2020	-	14,633	-	14,633
Peter Minuk	Director Secretary and Treasurer	2020	2,238 ⁽¹⁾	12,292	-	14,530
		2020	4,104 ⁽¹⁾	-	-	4,104
James H. Schweitzer	Director	2020	-	17,559	-	17,559
Yves P. Clement	Vice-President, Exploration	2020	111,915 ⁽¹⁾⁽²⁾	14,633	-	126,548
Victor Nkansa	Vice-President, Ghana Operations Chief Financial Officer	2020	127,444 ⁽²⁾⁽³⁾	-	-	127,444
		2020	-	14,633	-	14,633
Hans Julian Morsches	Director	2020	-	14,633	-	14,633

- (1) 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\$0.7461.
- (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 Ghanaian cedi and was translated at the average exchange rate of C\$1.00 = US\$0.1744.

Stock Options Granted in 2020

During our fiscal year ended December 31, 2020, we granted 314,000 stock options to senior management or directors and recognized an expense of \$91,894.

Termination of Employment, Change in Responsibilities and Employment Contracts

Determination of Compensation Paid in 2020

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 James Longshore as noted under “Consulting Arrangements with President and Chief Executive Officer”. In determining the compensation to be paid to Mr. Longshore, 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. Longshore’s compensation.

During the fiscal year, Mr. Longshore received a compensation package, through Brokton International Ltd., for providing his consulting services as Managing Director to XG Mining and XGEL as noted under “Consulting Arrangements with Managing Director of 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, Chief Executive Officer, and Managing Director of Ghana Operations

Our Chief Executive Officer, James Longshore, 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. Longshore provides his services to our company on a month-to-month basis and is paid as a part of his Managing Director of Ghana Operations fees. 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.

The consulting services of James Longshore, as our Managing Director of 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 \$10,000.00 per month to provide the foregoing services. 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.

Management Consulting Agreement with Chief Financial Officer and Vice-President, Ghana Operations

Our Chief Financial Officer and Vice-President, Ghana Operations, Victor Nkansa, oversees our operations in Ghana under the supervision of our President and CEO, 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. He also provides certain accounting services to our company including financial and general management duties, accounting, financial and reporting control and regulatory reporting duties. As of the date of this annual report, our Vice-President, Ghana Operations is paid 17,647 Cedis (US\$3,000) per month by XG Mining to provide his consulting services on a month to month "as needed" basis. The Vice President, Ghana Operations is also eligible for bonuses based on gold production. 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.

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, 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. As of the date of this annual report, Mr. Clement is paid CAD\$12,500 (USD\$9,326) per month to provide the foregoing services. 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.

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 James Schweitzer, who is also Chair of our Audit Committee, Denis Laviolette and, Hans Julian Morsches 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 five members; namely, James Longshore (Chair), Peter Minuk, James Schweitzer, Denis Laviolette and, Hans Julian Morsches. Our Board of Directors has determined that James Schweitzer, Denis Laviolette and, Hans Julian Morsches are independent within the 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. James Longshore and Peter Minuk 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 James Schweitzer, Denis Laviolette and, Hans Julian Morsches, 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. Schweitzer, Laviolette and, Morsches 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 stockholders. 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 stockholders. 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.

Diversity Policy

Policies Regarding the Representation of Women on the Board

The members of our company's Board have diverse backgrounds and expertise and were selected on the belief that the company and its stakeholders would benefit from such a broad range of talent and experiences. The Board considers merit as the key requirement for board appointments. Our company has not adopted a written diversity policy and has sought to attract and maintain diversity at the Board level informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Nominating and Corporate Governance Committee and to the Board as a whole for consideration.

Consideration of the Representation of Women on the Board and in Executive Officer Appointments

In identifying suitable Board nominees or in selecting and assessing candidates for executive positions, candidates will be considered on merit against objective criteria regarding business experience, skill sets, competencies, technical expertise, sector specific knowledge and with due regard for the benefit of diversity including the level of representation of women in these capacities. As the need for new directors or executive officers arises, the Corporate Governance Committee assesses candidates on the basis of industry

experience and business acumen with specific knowledge of mineral exploration and development or other areas (such as finance, West African market experience) as desired at that particular time by the company, the Board and its committees. Board candidates are also evaluated against the area of expertise of existing members so new appointments may contribute to expanding the Board's breadth of experience.

Company's Targets for Women on the Board and in Executive Officer Positions

Presently, none of the company's directors and none of the executive officers of the company and of its major subsidiaries are women. Diversity including gender, age, nationality, cultural and educational background, business knowledge and other experience, are among the factors that the Corporate Governance Committee considers in identifying and selecting candidates for the Board and executive positions. For example, with the majority of the company's operations being located in West Africa, one of the executive officers is Ghanaian. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives in which all employees and directors are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude. As a result, the Corporation has not adopted targets based on any specific area of diversity and does not set targets for women on the Board or in executive officer positions.

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 2019. The Compensation Committee is composed of three directors; namely James Schweitzer, who is also Chair of our Compensation Committee, Denis Laviolette and, Hans Julian Morsches, 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 do not separate the role of our Chief Executive Officer and the Chairman of our Board of Directors. However, 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.

D. *Employees*

As at the date of this annual report, our company has no salaried employees. Our President, Chief Executive Officer, and General Manager of our Ghanaian subsidiaries provides our company with his consulting services and devotes approximately 80% of his time to our company. Our Chief Financial Officer and Vice-President, Ghana Operations provides our company with his consulting services and devotes approximately 80% 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 also engage the consulting services of our Secretary and Treasurer with respect to corporate and administrative services who devotes a variable percentage of his time to our company on an "as needed" basis.

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 ⁽¹⁾	PERCENTAGE OF CLASS ⁽²⁾
James Longshore ⁽³⁾	common	4,420,855	10.2%	10.2%
Denis Laviolette ⁽⁴⁾	common	-	0.4%	0.4%
Peter Minuk ⁽⁵⁾	common	20,000	0.5%	0.5%
James H. Schweitzer ⁽⁶⁾	common	358,000	0.9%	0.9%
Yves P. Clement ⁽⁷⁾	common	26,000	1.2%	0.4%
Victor Nkansa ⁽⁸⁾	common	-	0.2%	0.2%
Hans Julian Morsches ⁽⁹⁾	common	200,000	0.8%	0.8%
Directors and Officers as a Group		5,024,855	14.3%	14.3%

⁽¹⁾ Based on 48,870,917 common shares outstanding as at March 31, 2021 and as if all of the options held by directors and officers (1,971,000 as a group) were exercised converted to common shares.

⁽²⁾ Based on 48,870,917 common shares outstanding as at March 31, 2021 and as if only the vested options (1,971,000 as a group) and were exercised converted to common shares.

⁽³⁾ James Longshore owns 4,420,855 common shares of which 1,047,000 common shares are owned directly, 2,050,000 common shares are owned indirectly through Brokton International Ltd., a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore and 1,323,855 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 544,000 stock options with exercise prices and expiry dates as set out in the table below.

⁽⁴⁾ Denis Laviolette holds a total of a total of 215,000 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 192,000 stock options with exercise prices and expiry dates as set out in the table below.

⁽⁶⁾ James H. Schweitzer owns 358,000 common shares and holds 100,000 stock options with an exercise price and expiry date as set out in the table below.

⁽⁷⁾ Yves P. Clement holds a total of 550,000 stock options with exercise prices and expiry dates as set out in the table below.

⁽⁸⁾ Victor Nkansa holds 105,000 stock options with exercise prices and expiry dates as set out in the table below.

⁽⁹⁾ Hans Julian Morsches owns 200,000 common shares and holds a total of a total of 215,000 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 shareholders’ meeting 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. On March 28, 2017, our Board of Directors approved our Option Plan for a further three year period (the “**2017 Plan**”). The 2017 Plan was approved by our shareholders at our annual and special meeting of shareholders held on May 16, 2017 and we received final acceptance of our 2017 Plan from the TSX on May 16, 2017. On March 26, 2020, our Board of Directors approved our Option Plan for a further three-year period (the “**2020 Plan**”). The 2020 Plan was approved by the shareholders at our annual and special meeting of shareholders held in June 2020.

Pursuant to our Option 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 Option 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 Option Plan options may be authorized and unissued common shares or common shares reacquired by our company. Common shares covered by our Option 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 Option 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, 4,670,412 common shares have been reserved for issuance under our Option Plan. As at the date of this annual report, there are 2,615,000 options outstanding to purchase an aggregate of 2,615,000 common shares, representing 57% of the 46,704,117 common shares currently outstanding. Options to purchase 2,055,412 common shares are currently available for grant under our Option Plan, being 10% of the 46,704,117 common shares currently outstanding less the 2,615,000 shares reserved for the 2,615,000 options currently outstanding.

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, 2020, 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 as that is the currency unit in which the options were issued.

Name	Title	Number of Stock Options Granted to Purchase Common Shares	Exercise Price	Expiration Date
James Longshore	President, CEO and Director Manager Director of Ghana Operations	382,000	CAD\$0.15	December 31, 2022
		162,000	CAD\$0.30	July 1, 2023
Denis Laviolette	Director	125,000	CAD\$0.20	October 8, 2025
		40,000	CAD\$0.30	July 1, 2026
		50,000	CAD\$1.23	October 23, 2025
Peter Minuk	Secretary and Treasurer and Director	150,000	CAD\$0.30	July 1, 2023
		42,000	CAD\$0.60	June 1, 2025
		50,000	CAD\$1.23	October 23, 2025
James H. Schweitzer	Director	40,000	CAD\$0.30	July 1, 2023
		60,000	CAD\$1.23	October 23, 2025
Yves P. Clement	Vice-President, Exploration	400,000	CAD\$0.40	May 5, 2026
		100,000	CAD\$0.30	July 10, 2026
		50,000	CAD\$1.23	October 23, 2025
Victor Nkansa	Vice-President, Ghana Operations	12,000	CAD\$0.60	June 1, 2025
		15,000	CAD\$0.50	March 1, 2021
		78,000	CAD\$0.30	July 1, 2023
		50,000	CAD\$1.23	October 23, 2025
Hans Julian Morsches	Director	125,000	CAD\$0.20	October 8, 2025
		40,000	CAD\$0.30	July 1, 2023
		50,000	CAD\$1.23	October 23, 2025

As a group, seven officers and directors hold 1,971,000 stock options as at December 31, 2020.

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 31, 2021, showed 141 registered shareholders and 46,899,917 shares outstanding of which 13 of these registered shareholders were U.S. residents including one that is a U.S. depository holding 34,286,252 common shares representing 73% 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 ⁽¹⁾⁽²⁾	common	4,964,855	10.0% ⁽²⁾

Leon van der Merwe	common	5,107,851	10.3%
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- (1) James Longshore owns 4,420,855 common shares of which 1,047,000 common shares are owned directly, 2,050,000 common shares are owned indirectly through Brokton International Ltd., a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore and 1,323,855 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 544,000 stock options with exercise prices and expiry dates as set out in the table under “Stock Options Outstanding”.
- (2) Based on 49,405,917 common shares outstanding as at March 31, 2021 and as if all 2,636,000 stock options were exercised.

B. *Related Party Transactions*

During the years ended December 31, 2020, 2019 and 2018, the Company entered into the following transactions with related parties:

	December 31, 2020	December 31, 2019	December 31, 2018
Consulting fees paid or accrued to officers or their companies	894,616	\$701,957	\$ 850,028
Directors’ fees	2,238	2,257	2,316
Stock option grants to officers and directors	112,868	—	—
Stock option grant price range	CAD\$0.60 to CAD \$1.23	—	—

Of the total consulting fees noted above, \$531,527 (December 31, 2019 - \$399,365, December 31, 2018 - \$548,585) was incurred 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 \$265,764 (December 31, 2019 – \$199,683, December 31, 2018 - \$274,292) of this amount. As at December 31, 2020, a prepaid balance of \$12,065 (December 31, 2019, \$83,592 balance payable, December 31, 2018 - \$53,632 balance payable) exists to this related company and \$Nil remains payable (December 31, 2019 - \$3,800, December 31, 2018 - \$3,800) to the related party for expenses earned for work on behalf of the Company.

During 2020 the Company granted 314,000 options to insiders at a prices between of \$0.47 (CAD\$0.60) and \$0.96 (CAD\$1.23). A total of \$112,868 was included in consulting fees related to these options. During 2019 and 2018 the Company did not grant stock options to insiders.

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

The Government of Ghana initially required an environmental bond of \$385,000 for the Bansa permit and \$327,000 for the Muoso permit. The Company has submitted a request for a reduction of these fees to the government and is awaiting a response.

The Company is a party to three pending lawsuits. The first lawsuit claims mining activities of the Company are illegal and cause substantial environmental damage to the community. The second lawsuit claims that all leases issued to mining companies in Ghana violate the Ghana Constitution and are therefore illegal. The third lawsuit claims that an Xtra contracted worker caused bodily harm on another person. The Company will defend itself in each of these lawsuits if required, and believes both cases are completely without merit and frivolous.

The Company may be subject to legal proceedings and claims which arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters should not have a material adverse effect on its financial position, results of operations or liquidity.

On July 23, 2019, Minerals Commission issued four invoices totaling \$4,654,800 to our Ghanaian subsidiary. These invoices were titled "Outstanding Annual Mineral Right Fees" for four of our concessions (Muoso, Bansa, Pameng and Apapam), which Minerals Commission indicated were related to the period from 2013 to 2018, for new annual mineral fees. However, all of our mining leases all have a one-time fixed consideration fee, which was paid when our leases were granted. We responded to Minerals Commission (the "Letters") on September 23, 2019, objecting to the four improper invoices. Our Letters outline the specific violated terms of our leases and various mineral laws. The Minerals Commission has not responded to our Letter. Should Minerals Commission challenge our Letters, our Company could enter dispute resolution arbitration clause under the Mineral Act. We believe the invoices are not legally enforceable under the Mineral Act, and have not included any amount related to these invoices in our accounts.

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, 2020, other than property update activities as reported in Note 6 to our financial statements for the year ended December 31, 2020 which are disclosed in this annual report.

Item 9. The Offering and Listing

A. Offering and Listing Details

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 OTCQB 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, 2020	\$1.50	\$0.46	\$0.111	\$0.33
December 31, 2019	\$0.63	\$0.31	\$0.48	\$0.23
December 31, 2018	\$0.43	\$0.20	\$0.45	\$0.15
December 31, 2017	\$0.35	\$0.19	\$0.27	\$0.12
December 31, 2016	\$0.55	\$0.20	\$0.42	\$0.14

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 three most recent full financial years.

FOR THE FINANCIAL QUARTER ENDED	TSX		OTC BULLETIN BOARD	
	HIGH CAD\$	LOW CAD\$	HIGH US\$	LOW US\$
December 31, 2020	\$1.41	\$1.04	\$0.98	\$0.97
September 30, 2020	\$1.50	\$0.65	\$1.11	\$1.02
June 30, 2020	\$0.71	\$0.46	\$0.52	\$0.47
March 31, 2020	\$0.65	\$0.46	\$0.36	\$0.33
December 31, 2019	\$0.60	\$0.42	\$0.48	\$0.33
September 30, 2019	\$0.63	\$0.36	\$0.47	\$0.27
June 30, 2019	\$0.40	\$0.31	\$0.31	\$0.23

March 31, 2019	\$0.46	\$0.32	\$0.35	\$0.24
December 31, 2018	\$0.43	\$0.25	\$0.45	\$0.18
September 30, 2018	\$0.30	\$0.23	\$0.23	\$0.17
June 30, 2018	\$0.30	\$0.23	\$0.23	\$0.15
March 31, 2018	\$0.28	\$0.20	\$0.21	\$0.17

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 29, 2021	\$1.49	\$1.34	\$1.12	\$1.06
January 31, 2021	\$1.45	\$1.24	\$1.05	\$0.99
December 31, 2020	\$1.41	\$1.15	\$0.98	\$0.97
November 30, 2020	\$1.28	\$1.15	\$0.94	\$0.89
October 31, 2020	\$1.39	\$1.04	\$0.87	\$0.86
September 30, 2020	\$1.50	\$1.14	\$0.47	\$0.33

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 2020 from a low of CAD\$0.46 to a high of CAD\$1.50 and during the most recent six months our common shares fluctuated from a low of CAD\$1.04 to a high of CAD\$1.50. 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:

Stock Exchange of Other Regulated Market	Company Symbol
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 Shirley Street Plaza, Suite 2150, P.O Box AP 59217, Nassau Bahamas, 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.

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 has 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, 2020. 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, 2020, 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 of the Registered Public Accounting Firm*

This annual report does not include an attestation report of RBSM 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, 2020 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 James Schweitzer, Denis Laviolette and, Hans Julian Morsches 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, 2020, 2019 and 2018, RBSM LLP served as the company auditor.

Audit Fees

Audit fees are the aggregate fees billed by RBSM LLP in 2020, 2019, and 2018 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, 2020 was \$25,000, December 31, 2019 was \$40,000, for the year ended December 31, 2018 was \$25,000.

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 did not incur any non-audit fees in 2020 or in 2019. Our company paid RBSM LLP \$12,000 for audit-related fees in the years ended December 31, 2018.

Tax Fees

Tax fees consist of professional services rendered by our company's external auditors for tax compliance and tax advice. Our company paid RBSM LLP \$nil for tax fees for the year ended December 31, 2020, 2019 and 2018.

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, 2020, 2019 and 2018.

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.

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.

Our company renewed the 2014 Bid for a further one year period commencing on October 30, 2015 (the "**2015 Bid**"), with the acceptance of the TSX. Pursuant to the 2015 Bid, our company could purchase 4,000,000 common shares which, at that time, represented approximately 9.4% of our company's public float. The 2015 Bid expired on November 5, 2016. Our company purchased an aggregate of 372,500 common shares under the 2015 Bid which were cancelled.

The Company announced in a news release disseminated on December 6, 2016, that, following expiration of the 2015 Bid, it would be renewing the 2016 bid for a further one year to purchase up to 4,000,000 Common Shares of the Company (the "**2016 Bid**"), representing approximately 8.3% of the public float of the Company. The maximum number of Common Shares

that may be purchased on a daily basis is 5,327 Common Shares representing 25% of the average daily trading volume for the last six calendar months, except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. Our company purchased an aggregate of 641,500 common shares under the 2016 Bid which were cancelled.

The Company announced in a news release disseminated on January 9, 2018, that, following expiration of the 2016 Bid, it would be renewing the 2018 bid for a further one year to purchase up to 4,000,000 Common Shares of the Company (the "2018 Bid"), representing approximately 10% of the public float of the Company. The maximum number of Common Shares that may be purchased on a daily basis is 5,141 Common Shares representing 25% of the average daily trading volume for the last six calendar months, except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. Our company purchased an aggregate of 1,536,500 common shares under the 2018 Bid which were cancelled.

The Company announced in a news release disseminated on February 8, 2019, that, following expiration of the 2018 Bid, it would be renewing the 2019 bid for a further one year to purchase up to 4,000,000 Common Shares of the Company (the "2019 Bid"), representing approximately 10% of the public float of the Company. The maximum number of Common Shares that may be purchased on a daily basis is 2,837 Common Shares representing 25% of the average daily trading volume for the last six calendar months, except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. Our company purchased an aggregate of 426,800 common shares at an average price of C\$0.41 under the 2019 Bid which were cancelled.

The Company announced in a news release disseminated on March 12, 2020, that, following expiration of the 2019 Bid, it would be renewing the 2020 bid for a further one year to purchase up to 4,000,000 Common Shares of the Company (the "2020 Bid"), representing approximately 10% of the public float of the Company. The maximum number of Common Shares that may be purchased on a daily basis was 5,298 Common Shares representing 25% of the average daily trading volume for the last six calendar months, except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. Our company purchased an aggregate of 305,700 common shares at an average price of C\$0.79 under the 2020 Bid which were cancelled.

The Company announced in a news release disseminated on March 12, 2021, that, following expiration of the 2020 Bid, it would be renewing the 2021 bid for a further one year to purchase up to 4,000,000 Common Shares of the Company (the "2021 Bid"), representing approximately 10% of the public float of the Company. The maximum number of Common Shares that may be purchased on a daily basis is 32,828 Common Shares representing 25% of the average daily trading volume for the last six calendar months, except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. All shares purchased under the 2021 Bid will be cancelled.

As of March 26, 2021, the Company repurchased 27,200 Common Shares under the 2021 Bid.

Further details relating to the 2021 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

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
Month 1 (March 12 to date, 2021)	27,200	\$0.93	27,200	4,000,000
Total Shares Repurchased	27,200	\$0.93	27,200	4,000,000

Footnotes

- The details of the 2014 Bid, referred to above, were announced in a news release on February 13, 2014 (as reported by our company on Form 6-K filed on February 18, 2014).

- The results of the 2014 Bid and the details of the 2015 Bid, referred to above, were announced in a news release on October 30, 2015.
- The results of the 2015 Bid and the details of the 2016 Bid, referred to above, were announced in a news release on December 6, 2016.
- The results of the 2016 Bid and the details of the 2018 Bid, referred to above, were announced in a news release on January 9, 2018.
- The results of the 2018 Bid and the details of the 2019 Bid, referred to above, were announced in a news release on February 8, 2019.
- The results of the 2019 Bid and the details of the 2019 Bid, referred to above, were announced in a news release on March 12, 2020.
- The results of the 2020 Bid and the details of the 2020 Bid, referred to above, were announced in a news release on March 12, 2021.

Item 16F Change in Registrant’s Certifying Accountant

No change during 2020, 2019, or 2018.

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 stockholders 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 James Schweitzer, who is also Chair of our Audit Committee, Denis Laviolette and, Hans Julian Morsches, 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 five members; namely James Longshore, Peter Minuk, James Schweitzer, Denis Laviolette and Hans Julian Morsches. Our Board of Directors has determined that James Schweitzer, Denis Laviolette and Hans Julian Morsches 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 Peter Minuk 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 Schweitzer, Laviolette and Morsches, 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. Schweitzer, Laviolette and Morsches 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 stockholders. 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 stockholders. 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 James Schweitzer, Denis Laviolette and Hans Julian Morsches, 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, 2020, 2019, and 2018***
 - Report of Independent Registered Public Accounting Firm dated March 26, 2021
 - Consolidated Balance Sheets as at December 31, 2020, 2019 and 2018
 - Consolidated Statements of Operations for the Years Ended December 31, 2020, 2019 and 2018
 - Consolidated Statements of Cash Flows for the Years Ended December 31, 2020, 2019 and 2018
 - Consolidated Statement of Stockholders’ Equity for the Years Ended December 31, 2020, 2019 and 2018
 - Notes to the Consolidated Financial Statements

Item 19 Exhibits

The following exhibits are included in this annual report on Form 20-F:

Exhibit Number	Description
1.3	Memorandum and Articles of Association ⁽¹⁾
1.4	Code of Ethics ⁽¹⁾

12.1	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 ⁽²⁾
12.2	Certification of Chief Financial Officer as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 ⁽²⁾
13.1	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. ⁽²⁾
13.2	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. ⁽²⁾

⁽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 annual report on its behalf.

XTRA-GOLD RESOURCES CORP.

/s/ James Longshore

By

James Longshore

President and Chief Executive Officer

Date: March 31, 2021