



MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS BEING FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF XTRA-GOLD RESOURCES CORP. (the "**Company**") of proxies to be used at the annual and special meeting (the "**Meeting**") of shareholders (the "**Shareholders**") and any adjournments thereof, to be held at the Ontario Bar Association, Conference Rooms C and D, 20 Toronto Street, 2nd Floor, Toronto, Ontario, M5C 2B8 at 10:00 a.m. (Toronto time) on Monday, June 22, 2015, for the purposes set forth in the enclosed notice of Meeting (the "**Notice of Meeting**"). Proxies will be primarily solicited by mail and may also be personally solicited or by telephone by the directors and/or officers of the Company, at nominal cost. The cost of solicitation will be borne by the Company.

The Company may also pay the reasonable costs incurred by persons who are the registered but not the beneficial owners of common shares in the capital of the Company (the "**Common Shares**") (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this management information circular (the "**Circular**"), the Notice of Meeting and form of proxy (the "**Proxy**") to the beneficial owners of such Common Shares. The Company will provide, without cost to such persons, upon request to the Secretary and Treasurer of the Company, additional copies of the foregoing documents required for this purpose.

No person is authorized to provide any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation shall not be relied upon as having been authorized.

APPOINTMENT, VOTING AND REVOCATION OF PROXIES

APPOINTMENT

The individuals named in the accompanying Proxy are directors and/or officers of the Company (the "**Management Designees**"). **A Shareholder wishing to appoint some other person (who need not be a Shareholder) to represent the Shareholder at the Meeting has the right to do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting the desired person's name in the blank space provided in the Proxy or by completing another form of proxy. Such Shareholder should first notify such person of his appointment and obtain his consent to act as a proxyholder. In any case, the Proxy should be dated and executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a Company, by an officer or attorney thereof duly authorized.**

To be valid, the Proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), Proxy Department at its office at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 48 hours prior to the Meeting or adjournment thereof or delivered to the Chairman at the Meeting or adjournment thereof.

VOTING

Each Shareholder may instruct his proxy how to vote his Common Shares by marking the Proxy as applicable. All Common Shares represented at the Meeting by properly executed Proxies **will be voted for, against or withheld from voting (including the voting on any ballot)**, and where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Common Shares represented by the Proxy **will be voted in accordance with such specification. In the absence of any such specification of voting on the Proxy, the Management Designees named in the Proxy, will vote in favour of the matters set out therein.**

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or of other matters which may be presented to the Meeting.

NOTICE-AND-ACCESS

The Company is utilizing the notice-and-access mechanism (the "**Notice-and-Access Provisions**") that came into effect on February 11, 2013 under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") for distribution of this Circular to all registered Shareholders and Beneficial Shareholders (as defined below).

The Notice-and-Access Provisions are a new set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Company for the year ended December 31, 2014 ("**Financial Statements**") and management's discussion and analysis of the Company's results of operations and financial condition for 2014 ("**MD&A**") may be found on the Company's SEDAR profile at www.sedar.com, on the SEC's website at www.sec.gov and also on the Company's website at www.xtragold.com. The Company will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular to some Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this Circular. **Shareholders are reminded to review this Circular before voting.**

Although this Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Shareholders will receive paper copies of a "notice package" via prepaid mail containing the Notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and supplemental mail list return card for Shareholders to request they be included in the Company's supplementary mailing list for receipt of the Company's interim financial statements for the 2015 fiscal year.

The Company anticipates that notice-and-access will directly benefit the Company through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about notice-and-access can call the Company's transfer agent Computershare toll-free at 1.866.964.0492. Shareholders may also obtain paper copies of this Circular, the Financial Statements and the MD&A free of charge: (1) during the Meeting cycle; or (2) after the Meeting for a one (1) year period, upon request to the Corporate Secretary of the Company by calling 416.366.4227.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Company or Computershare, as applicable, by Friday, June 12, 2015 in order to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to the Company or Computershare, or b) their voting instruction form to their Intermediaries by its due date.

REVOCAION OF PROXY

In addition to the revocation in any other manner permitted by law, a Shareholder who has given a Proxy may revoke it, at any time before it is exercised in accordance with the provisions of *The BVI Business Companies Act, 2004*. The revocation of a Proxy does not affect any matter on which a vote has been taken prior to such revocation.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold their Common Shares in their own name. Most of the Shareholders of the Company are "**non-registered**" Shareholders as their Common Shares are not registered in their own names but rather are instead registered in the name of a bank, trust company or brokerage firm from whom they purchased the Common Shares (referred to in this Circular as "**Beneficial Shareholders**"). Such Shareholders should note that only Proxies deposited by Shareholders whose names appear on the records maintained by the Company's registrar and transfer agent as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name. Such Common Shares are more likely to be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for **CDS Clearing and Depository Services Inc. ("CDS")**), which acts as nominee for many Canadian banks, trust companies and brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for, against or withheld from voting resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS are held. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The purpose of the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the

Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form (a "**VIF**"), mails the VIF to the Beneficial Shareholders and requests the Beneficial Shareholders to return the VIF forms to Broadridge or otherwise communicate voting instructions to Broadridge by way of the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge VIF cannot use that form to vote directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. If you have any questions with respect to the voting of Common Shares held through a broker or other intermediary, please contact your broker or other intermediary directly for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. If a Beneficial Shareholder wishes to attend and vote at the Meeting in person, the Beneficial Shareholder must insert his or her own name as appointee in the blank space of the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

All references to Shareholders in this Circular and the accompanying Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

RECORD DATE

The Company has fixed April 30, 2015 as the record date (the "**Record Date**") for the purposes of determining holders of common shares of the Company (the "**Common Shares**") entitled to receive notice of the Meeting. Registered holders of Common Shares, as shown on the shareholders' list prepared as of the Record Date will be entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in any matter to be acted upon other than as disclosed under "Matters to be Acted Upon at the Meeting".

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of no par value Common Shares. As of the date hereof, there are 45,726,417 Common Shares issued and outstanding, with each such Common Share carrying the right to one vote. The Company has not issued any other class of voting securities.

PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the Record Date, to the best knowledge of the directors and officers of the Company, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

DATE OF INFORMATION

Unless otherwise specified herein, the information contained in this Circular is given as of April 30, 2015.

CURRENCIES

The Company's financial statements are reported in United States dollars. Unless otherwise stated, all dollar amounts referred to in this Circular are expressed in United States dollars.

MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS

The Company's audited consolidated financial statements for the years ended December 31, 2014, 2013 and 2012 ("**AFS**") and management's discussion and analysis are available upon request to the Company or can be viewed on SEDAR at www.sedar.com or on the website of the United States Securities and Exchange Commission (the "**SEC**") at www.sec.gov or on the Company's website at www.xtragold.com. The AFS and the auditor's report thereon will be presented to the Shareholders at the Meeting however, no vote with respect thereto is required.

APPOINTMENT OF AUDITORS

It is proposed that Davidson & Company LLP, Chartered Accountants, be appointed as auditors of the Company (the "**Auditors**") to hold such office until the next annual meeting of Shareholders or until their successors are elected or appointed and the board of directors (the "**Board**") of the Company be authorized to fix the remuneration of the Auditors.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of Davidson & Company LLP, as Auditors of the Company to hold such office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the Auditors.

ELECTION OF DIRECTORS

The Company's articles of association (the "**Articles**") provide that the Board be comprised of a minimum of three and a maximum of 15 directors. The Company presently has six (6) directors and the term of each director will expire at the Meeting. The Board size has been set at five (5) directors. At the Meeting, the following five (5) persons named hereunder will be proposed for election as directors of the Company. Each director elected at the Meeting will hold office until the next annual general meeting of Shareholders or until his successor is duly elected or appointed, unless he resigns, is removed or becomes disqualified in accordance with the Company's Articles. All of the persons noted below intend to stand for election to the Board, and management of the Company ("**Management**") has put forward the names of such persons. Management does not

contemplate that any nominees named below will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

Shareholders have the option to (i) vote for all of the persons listed in the table below (the “**directors**”); (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Company.**

Majority Voting Policy

The Board believes that each of its members should carry the confidence and support of the Shareholders. As part of its ongoing review of corporate governance practices, the Board adopted a majority voting policy. Pursuant to this policy, in any uncontested election of directors, any nominee who receives a greater number of votes “withheld” than votes “for” will be deemed not to have received the support of the Shareholders and will tender his resignation to the Chairman of the Board promptly following the Meeting. The nominating and corporate governance committee of the Board (the “**Nominating and Corporate Governance Committee**”) will consider the offer of resignation and will make a recommendation to the Board on whether to accept it. In this regard, any director who tenders his resignation pursuant to this policy will not participate in the deliberations of the Nominating and Corporate Governance Committee or in those of the Board. The Nominating and Corporate Governance Committee will be expected to recommend acceptance of the resignation except in situations where relevant factors would, in the view of the Nominating and Corporate Governance Committee, warrant the applicable director continuing to serve on the Board. The Board will make its decision within 90 days of the Meeting and shall promptly disclose, via news release, its decision whether or not to accept the director’s proposed resignation. Should the Board decline to accept such resignation, it will include in the news release the reasons for the decision.

Proposed Nominees for Election as Directors of the Company

The following table contains certain information, as at April 30, 2015, in connection with the persons proposed for nomination as directors. The principal occupation and Common Shares beneficially owned or over which control or direction is exercised by the nominees, directly or indirectly, for election as directors is in each instance based upon information provided by the person to whom such information relates.

Name, Municipality of Residence and Position with the Company	Principal Occupation	Director Since	Common Shares Beneficially Owned, Controlled or Directed
Peter Minuk ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario Director	Self-employed business consultant since 2007 to the present time. Mr. Minuk was a business analyst consultant for Industry Canada from June 2009 to April 2011. Mr. Minuk served as Secretary and Treasurer of Xtra-Gold Resources Corp. from August 2009 to June 2014 and VP Finance of Xtra-Gold Resources Corp. from March 2007 to January 2009 and was a Manager with BMO InvestorLine from 1990 to 2006.	March 5, 2007	20,000 ⁽⁴⁾
James Harold Schweitzer ⁽¹⁾⁽²⁾⁽³⁾ Scarborough, Ontario Director	Retired businessman since June 2011. Mr. Schweitzer was a Registered Representative with Haywood Securities Inc. from February 2003 to June 2011 primarily in resource stocks. Mr. Schweitzer was a Registered Representative and Trading Officer of Raymond James Ltd. from January 2001 to August 2002 and a Registered Representative of Raymond James Ltd. from August 2002 to February 2003.	June 11, 2011	250,000 ⁽⁴⁾
James Longshore Rose Island, Bahamas Director	General Manager, Ghana Operations of Xtra-Gold Resources Corp. since 2009 to the present time. President of Brokton International Ltd. since 1995 to the present time.	June 19, 2014	3,028,355 ⁽⁴⁾⁽⁵⁾
Denis Laviolette Toronto, Ontario Proposed Director	Mining Analyst, Pinetree Capital Ltd. since February 2014 to the present time. Mr. Laviolette was the Chief Geologist/owner/operator of M.A. Resources Ltd. in Ghana from February 2013 to the present time. He was the Senior Exploration Geologist for Xtra-Gold at its Kibi Gold Project in Ghana from February 2011 to February 2012. He was the Senior Exploration Geologist for Buccaneer Gold Corp. from February 2012 to February 2013. From March 2010 to February 2011, Mr. Laviolette was the Production Geologist for Kirkland Lake Gold Inc. at its Macassa Gold Mine in Kirkland Lake, Ontario from March 2010 to February 2011.	Proposed nominee director	Nil
Hans Julian Morsches Kansas City, Missouri Proposed Director	Senior Market Manager, Unum since May 1999 to the present time.	Proposed nominee director	100,000 ⁽⁴⁾

- (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) Information as to shareholdings has been provided by the individuals noted above or taken from insider reports filed by the individuals on SEDI (System for Electronic Disclosure by Insiders) or from the registered shareholders list maintained by the Company's transfer agent.
- (5) Mr. Longshore owns 3,028,355 Common Shares of which (i) 120,000 Common Shares are owned directly, (ii) 2,000,000 Common Shares are owned indirectly through Brokton International Ltd., a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore, and (iii) 908,355 Common Shares are owned indirectly through Sausilito Ltd., a Turks & Caicos Islands corporation, whose sole beneficial owner is James Longshore. Mr. Longshore exercises sole investment, voting and disposition powers over the Common Shares included in the above table.
- (6) Upon election of the new Board, Paul Zyla, Richard W. Grayston and Dr. Guy Della Valle will no longer be directors of the Company. Following their election to the new Board, Mr. Laviolette and Mr. Morsches will serve as independent directors of the Company.

As a group, the proposed directors of the Company beneficially own, control or direct, directly or indirectly, 3,398,355 Common Shares, representing approximately 7.43% of the issued and outstanding Common Shares as at the date hereof.

The following are brief biographies for the nominee directors noted above.

Peter Minuk

Mr. Minuk was appointed as a director of the Company in March 2007. From August 11, 2009 to June 19, 2014, he served as Secretary and Treasurer of the Company. Mr. Minuk has more than 26 years of experience in finance and investment as well as experience in project management, training and developing staff and client relationships. From February 1, 2009 to May 31, 2009, he provided limited consulting services to the Company and also served as Vice-President, Finance of the Company from March 2007 to January 2009. From April 2, 2011 to the present time, Mr. Minuk has been providing freelance management and consulting services to unrelated companies. From June 1, 2009 to April 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 provides 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. Prior to joining Xtra-Gold, 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 FCSI (Fellow of the Canadian Securities Institute) in 1989 and completed the Business Administration program from Southern Alberta Institute of Technology in 1985.

James Harold Schweitzer

Mr. Schweitzer was appointed as a director of the 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. Mr. Schweitzer was employed as a registered representative ("**Registered Representative**") with Haywood Securities Inc. ("**Haywood**") from February 2003 to June 2011, at which time he resigned from Haywood. His former employment as a Registered Representative of Haywood 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 whereby, among other things, Mr. Schweitzer was licensed to provide advice to clients as to which securities (primary resource stocks) a client can buy and sell. Prior thereto, 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 ("**McDermid**") as a Registered Representative and was appointed as a trading officer for Ontario and was in charge of McDermid's Toronto branch office until its merger with St. Lawrence Securities in 1984. Mr. Schweitzer remained with McDermid through two mergers with other brokerage firms over the years until 2000 when Raymond James Financial Inc. ("**Raymond James**") acquired the then named firm of Goepel McDermid Inc. He resigned as a Registered Representative of Raymond James in 2003.

James Longshore

Mr. Longshore was elected as a director of our company at the annual and special meeting of the Company's shareholders held on June 19, 2014 (the "**2014 Meeting**"). Mr. Longshore is a co-founder of Xtra-Gold and formerly served as the Company's President, Chief Executive Officer and Chief Financial Officer from March 4, 2007 to June 1, 2010 and a director from September 1, 2006 to June 1, 2010. Mr. Longshore has been overseeing our operations in Ghana as General Manager, Ghana Operations in connection with our Ghanaian subsidiaries, Xtra-Gold Mining Limited and Xtra-Gold Exploration Limited since 2009. He has overseen the administrative and exploration activities relating to the Company's projects since June 2006. Mr. Longshore has more than 20 years of business investment experience in resource companies. Mr. Longshore received a BEcon from Bowdoin College in Brunswick, Maine in 1990.

On August 23, 2002, Mr. Longshore (nee or also known as James Frederick Pincock) entered into a settlement agreement with the Ontario Securities Commission (the "**Settlement Agreement**") for trading in securities without having filed a preliminary prospectus and a prospectus and without registration, thereby engaging in conduct contrary to the public interest. Under the terms and conditions of the Settlement Agreement, an order was made on August 27, 2002 stating:

1. Pincock shall cease trading in securities for a period of five years from the effective date of the Order, with the exception that after three years from the date of the Order, Pincock is permitted to trade in securities beneficially owned by him in his personal accounts in his name;
2. Pincock shall resign his position as an officer or director of any issuer in Ontario in which he holds the position of officer or director, and his position as an officer or director of any issuer in Ontario, which has an interest directly or indirectly in any registrant, in which he holds a position of officer or director, effective the date of the Order;
3. Pincock is prohibited from becoming or acting as an officer or director of any issuer in Ontario or an officer or director of any issuer which has an interest directly or indirectly in any registrant, for a period of five years effective the date of the Order;
4. Pincock is reprimanded; and
5. Pincock will make payment to the Ontario Securities Commission (the "**OSC**") in the amount of \$20,000 in respect of a portion of the costs incurred by the OSC and Staff relating to the proceeding.

Mr. Longshore has complied with all of the foregoing matters set forth in the Order.

In considering Mr. Longshore as a director of the Company, each member of the Board reviewed the Settlement Agreement documentation and had the opportunity to discuss this matter with Mr. Longshore and understood the gravity of the matters giving rise to the Settlement Agreement. Each Board member gave significant consideration to Mr. Longshore's business conduct during the term of the Settlement Agreement and following the expiration of the Order in August 2007. The Board reviewed Mr. Longshore's role as General Manager, Ghana Operations and a majority of the directors have visited the Company's projects in Ghana and witnessed first hand the manner in which he conducted operations on behalf of the Company. The Board was satisfied with the actions undertaken by Mr. Longshore to continue to advance the Company's projects and to develop strong relationships with its suppliers, consultants, workers and Government authorities. It is the Board's view that Mr. Longshore has learned from the matters giving rise to the Settlement Agreement and believes that he continues to give his best efforts and is dedicated to conducting himself in a professional and compliant manner so as to serve the best interests of the Company's shareholders and the investing public.

Prior to Mr. Longshore's election as a director in June 2014, the TSX considered Mr. Longshore's suitability as a director of the Company and as a result of its review and due to its ongoing concerns relating to the Settlement Agreement, the TSX determined to permit Mr. Longshore's involvement with the Company in the capacity of a director, subject to the following conditions set forth in a conditional approval letter from the TSX dated July 29, 2013 (the "**TSX Letter**"). For ease of reference, the conditions are reproduced in bold.

1. **Prior to joining the Company's board of directors (the "Board"), you must first be specifically elected by a separate vote of a majority of shareholders of the Company during an annual or annual and special meeting of shareholders of the Company, in compliance with the requirements for director elections set out in the TSX Company Manual. For greater certainty, you may not be appointed to the Board.**
2. **The management information circular of the Company prepared for the shareholders' meeting at which you will be eligible for election must describe the conditions imposed by the TSX as well as the issues related to the Settlement Agreement. The Circular must be submitted to the TSX for review and approval in advance of being finalized by the Company.**
3. **You must complete educational initiatives to better understand the regulatory environment TSX-listed issuers are subject to, such as the Directors Education Program of the Institute of Corporate Directors or the TSX's rules-related education workshop courses and provide written confirmation of same to the undersigned, within two years from the date of this letter.**
4. **TSX had determined that your involvement with the Company and any other TSX-listed issuer is restricted as follows. You may not:**

- i. **become a member of a committee of the Board;**
 - ii. **act as an officer or perform functions similar to those normally performed by an officer. TSX confirms that you may continue to act in the capacity and perform the functions you currently perform for the Company, as described in the Independent Directors Letter; or**
 - iii. **act as a director, officer or significant shareholder of any other TSX-listed issuer or perform functions similar to those normally performed by individuals occupying the positions of director or officer.**
5. **The Company must appoint to the Board an additional independent director who is independent from you and independent within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”). This independent director must be pre-approved by the TSX within 90 days of the date of this letter and must have experience working in Ghana or a comparable jurisdiction. The Company must have a majority of independent directors at all times.**
6. **You must provide a signed certificate (the “Certificate”) from you addressed to the TSX in which you: (i) confirms his understanding that the TSX will take actions against you should it find that you failed to materially comply with any of the laws, rules and regulations of the TSX and other securities regulatory authorities applicable to the Company; (ii) acknowledge the aforementioned requirements; and (iii) undertake to comply with the conditions listed in items 1 to 4 set out above.**
7. **The Company must provide an undertaking addressed to the TSX in which the Company confirms that it will appoint to the Board an additional independent director, in accordance with the requirements set out in the item 5 above.**

As of the date of this Circular, conditions 1, 2, 3, 4 and 6 of the TSX Letter have been met by Mr. Longshore and conditions 5 and 7 of the TSX Letter have been met by the Company. With respect to condition 4, for greater certainty, this condition remains in full force and effect until July 29, 2015. With respect to condition 5, Dr. Guy Joseph Della Valle was elected as a director of the Company at the 2014 Meeting. At all times since Dr. Della Valle’s election as a director of the Company, he has been an independent director within the meaning of NI 52-110. As Dr. Della Valle will not be standing for re-election as a director at the Meeting, Denis Laviolette has been proposed as a nominee director. Mr. Laviolette is independent from Mr. Longshore and is independent of the Company within the meaning of NI 52-110. Mr. Laviolette has experience working in Ghana as the chief geologist/owner/operator of M.A. Resources Ltd. (February 2013 to the present time), as a senior geologist for Buccaneer Gold Corp (February 2012 to February 2013) and as a senior geologist for Xtra-Gold (February 2011 to February 2012), as noted below in greater detail.

During his service as a director of the Company, Mr. Longshore has complied fully with the TSX Letter and all other applicable securities laws and TSX rules. In so doing, he has demonstrated understanding of and respect for the standards of conduct required of directors of publicly-listed issuers.

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

Mr. Laviolette is an intermediate level mining and exploration professional with approximately 10 years of experience in exploration, advanced mine operations, start-up mine management, QA/QC, grass roots exploration, financing and acquisitions, working in Northern Ontario (Timmins, Kirkland Lake and Red Lake), Norway and Ghana. He is also experienced with respect to GIS, 3D-modeling, resource delineation/estimation and large scale regional target delineation and production work, with a focus in Archean meso-thermal gold terranes and structural geology. He is currently applying for APGO (Association of Professional Geoscientists of Ontario) membership. Mr. Laviolette received his B.Sc, Earth Science (Geology) from Brock University, in St. Catharines, Ontario.

Mr. Laviolette is currently employed as a mining analyst with Pinetree Capital Ltd. ("Pinetree") in Toronto since February 2014 to the present time. 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.

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

Mr. Morsches is the Senior Market Manager 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.

Corporate cease trade orders

Except as described below, no individual set forth in the above table is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

James Schweitzer was a director of Ranger Canyon Energy Inc. ("Ranger"), a former reporting issuer, when a cease trade order was issued by the Alberta Securities Commission ("ASC") against Ranger on May 21, 2009 for failure to file audited financial statements for the year ended December 31, 2008. The 2008 financial statements have been filed with and accepted by the ASC; however, the cease trade order continues in effect as Ranger failed to file its audited 2009 financial statements within the prescribed time period before the 2008 financial statements were accepted by the ASC, and the 2009 financial statements remain unfiled as of the date hereof. Ranger was dissolved on May 2, 2012.

Bankruptcies, penalties or sanctions

No individual set forth in the above table (or any personal holding company of any such individual) is, as of the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company) that, while such individual was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No individual as set forth in the above table (or any personal holding company of any such individual) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

No individual set forth in the above table (or any personal holding company of any such individual) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

except for the settlement agreement entered into between James Longshore and the OSC as disclosed under "Matters to be Acted Upon at the Meeting – Election of Directors".

APPROVAL OF AMENDMENT TO STOCK OPTIONS

It is the policy of the TSX that the approval of disinterested shareholders (as discussed in greater detail below) be obtained in connection with any amendments to stock options granted to insiders. The Company intends to seek disinterested shareholder approval of the re-pricing of an aggregate of 1,655,000 issued and outstanding Options held by certain insiders of the Company (the "**Amended Options**"), from an exercise price of C\$0.50 to an exercise price of C\$0.15 for 1,231,000 of the Options and from an exercise price of C\$0.50 to an exercise price of C\$0.225 for 424,000 of the Options (the "**Amendment**"). The particulars of the Amended Options, as set out in the table below, if approved by the Company's Shareholders, will remain subject to acceptance by the TSX. The approval of the disinterested shareholders of the Company is therefore being sought in connection with the Amendment.

Name of Optionee and Position with Xtra-Gold	Previously Granted Options				Amendment
	Date of Grant	Expiry Date	Number of Options	Exercise Price	Exercise Price
Paul Zyla President, CEO, Corporate Secretary and Director ⁽¹⁾	Jan 25, 2010	Jan 25, 2020	108,000	C\$0.50	C\$0.15
	Dec 31, 2012	Dec 31, 2022	300,000	C\$0.50	C\$0.15
James Longshore General Manager, Ghana Operations	Mar 12, 2007	Mar 12, 2017	162,000	C\$0.50	C\$0.15
	June 1, 2010	June 1, 2020	63,000	C\$0.50	C\$0.15
Brokton International Ltd. ⁽²⁾	Dec 31, 2012	Dec 31, 2022	382,000	C\$0.50	C\$0.15
James Schweitzer, Director	June 10, 2011	June 10, 2021	108,000	C\$0.50	C\$0.15
Dr. Guy Della Valle, Director ⁽³⁾	June 19, 2014	June 19, 2024	108,000	C\$0.50	C\$0.15
Yves Clement Vice-President, Exploration	May 1, 2006	May 1, 2016	324,000	C\$0.50	C\$0.225
	Mar 1, 2011	Mar 1, 2021	100,000	C\$0.50	C\$0.225
TOTAL AMENDED OPTIONS			1,655,000		

⁽¹⁾ Mr. Zyla will not be standing for re-election as a director of the Company at the Meeting.

⁽²⁾ Brokton International Ltd. is a Turks & Caicos Islands corporation of which Mr. Longshore is the sole officer, director and shareholder.

⁽³⁾ Dr. Della Valle will not be standing for re-election as a director of the Company at the Meeting.

An aggregate of 48,000 Options previously granted to a consultant of the Company will also be amended to re-price the exercise price of C\$0.50 to C\$0.225.

FOR PURPOSES OF OBTAINING DISINTERESTED SHAREHOLDER APPROVAL IN ACCORDANCE WITH THE POLICIES OF THE TSX, THE AMENDMENT TO THE AMENDED OPTIONS MUST BE APPROVED BY A MAJORITY OF THE VOTES CAST AT THE MEETING, EXCLUDING THE VOTES OF INSIDERS WHO ARE HOLDERS OF THE AMENDED OPTIONS AND THEIR RESPECTIVE ASSOCIATES.

As a result, at the Meeting, the votes attaching to the 3,674,605 Common Shares, which represents 8.03% of the voting issued and outstanding shares held by the holders of the Amended Options and their associates, as set forth below, will not be counted for purposes of determining disinterested shareholder approval:

Name of Insider	Shares Beneficially Owned
Paul Zyla	396,250
James H. Schweitzer	250,000
James Longshore	3,028,355 ⁽¹⁾
TOTAL SHARES HELD	3,674,605

(1) 2,000,000 Common Shares are held by Brokton, 908,355 Common Shares are held by Sausilito and 120,000 Common Shares are held directly.

Management is of the view that it is in the best interests of the Company to approve the Amendment to the Amended Options to provide adequate incentives to its directors and officers. As stock option grants are a critical element of the Company's compensation policy, Management believes that it would be appropriate to re-price the Amended Options because the significant differential between the original exercise price and the current market price of the Company's Common Shares undermines the purpose of the original option grants, which was to retain and motivate the directors and officers to whom the Amended Options were granted.

Accordingly, disinterested shareholders of the Company will be asked to approve the following ordinary resolution at the Meeting in order to approve the Amendment to the Amended Options:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION that:

1. The Amendment to an aggregate of 1,655,000 stock options to purchase 1,655,000 Common Shares of the Company, as previously granted to certain directors and officers of the Company, be hereby approved, subject to the approval of the TSX, by re-pricing the exercise price of (a) 1,231,000 options from C\$0.50 to C\$0.15; and (b) 424,000 options from C\$0.50 to C\$0.225; and
2. Any officer of the Company is hereby authorized and directed to do and perform all such acts and things, and to execute and deliver or file, or cause to be executed, delivered or filed, all such documents and instruments, in the name and on behalf of the Company, and to take all such other steps, as such officer or director may consider to be convenient and proper in order to carry out the purpose and intent of this resolution."

The Board recommends that the disinterested Shareholders of the Company vote in favour of the ordinary resolution approving the Amendment to the Amended Options. Proxies received in favour of Management will be VOTED FOR the approval of the foregoing resolution, unless a Shareholder has specified in the Proxy that the Common Shares held by such Shareholder are to be voted against such resolution.

STATEMENT OF EXECUTIVE COMPENSATION

NAMED EXECUTIVE OFFICERS

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Company for the three most recently completed financial years. National Instrument 51-102 - Continuous Disclosure Obligations defines an "Executive Officer" of a reporting issuer, being an individual who is (a) a chair, vice-chair or president"; (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or (c) an officer of any of its subsidiaries who performed a policy-making function in respect of the reporting issuer. Form 51-102F6 - Statement of Executive Compensation states (a) "Chief Executive Officer" or "CEO" means each individual who acted as chief executive officer of the Company or acted in a similar capacity, for any part of the most recently completed financial year; (b) "Chief Financial Officer" or "CFO" means each individual who served as chief financial officer of the Company or acted in a similar capacity, for any part of the most recently completed financial year; (c) "Named Executive Officer" or "NEO" means the following individuals: (i) a CEO; (ii); a CFO; (iii) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) any each individual who would be a NEO for whom disclosure would have been provided under (iii) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis is intended to provide information relating to the objectives and processes of the Company's executive compensation and to discuss the decision-making process relating to the compensation paid to the Company's NEOs.

OBJECTIVES

The overall objectives of the Company's compensation program include:

- (a) attracting, retaining and motivating talented executives critical to the success of the Company;
- (b) providing fair, competitive and cost effective compensation programs to its executives;
- (c) linking the interests of management with those of the Shareholders; and
- (d) providing rewards for outstanding corporate and individual performance.

The compensation of executive officers is reviewed on an annual basis by the Compensation Committee. The Company's executive compensation program is based on comparisons of similar type and size companies. Payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of similar nature by reputable arm's length service providers.

ELEMENTS OF COMPENSATION

The Company's compensation practices continue to evolve and are still under review. It is contemplated that with further success of the Company's exploration programs and as the Company continues to progress it is anticipated that it will continue to refine the elements of its compensation package. Consistent with the Company's compensation objectives, the elements of compensation that will be earned by, paid to, or payable to, the NEOs will likely include a base salary and bonus and option-based awards.

Compensation

The Company's Compensation Committee determines the compensation to be paid to its NEOs on an individual basis and take into consideration (a) the performance of both the individual and the Company; (b) responsibilities of each NEO; (c) experience of each NEO; (d) length of service; and (e) financial resources available to meet the base salary element. The Compensation Committee believes that executive compensation should be fair and reasonable and be determined, in part, based on industry standard for similar positions in other comparable issuers.

As of the date of this Circular, except for the consulting agreement entered into by the Company and its Chief Financial Officer, as noted in the table below, there are no other consulting agreements entered into by the Company and its other NEOs. The base salary element was determined on the basis set for in the above paragraph and is paid to the NEOs to motivate and reward their individual performance.

Option-based Awards

As disclosed below in the table "Outstanding Option-based Awards and Share-based Awards", the Company granted stock options to its NEOs during the financial year noted to retain and motivate the NEOs.

SUMMARY COMPENSATION TABLE

The following table sets forth a summary of the compensation earned by, paid to or accrued and payable to, the Company's NEOs for the three most recently completed financial years. All dollar amounts stated below are in U.S. dollars ("US\$"). To the extent that amounts have been paid in Canadian dollars ("C\$"), such amounts have been converted into US\$ at the average exchange rate of C\$1.00 = US\$0.9054.

Name and Position	Year	Salary (US\$)	Share-based awards (US\$)	Option-based awards ⁽¹⁾ (US\$)	Non-equity incentive plan compensation (\$)		Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
					Annual incentive plans	Long term incentive plans			
Paul Zyla ⁽²⁾ President and Chief Executive Officer	2014	Nil	N/A	Nil	N/A	N/A	N/A	35,312	35,312
	2013	Nil	N/A	Nil	N/A	N/A	N/A	32,438	32,438
	2012	Nil	N/A	183,545	N/A	N/A	N/A	43,911	227,456
John C. Ross ⁽³⁾ Chief Financial Officer	2014	Nil	N/A	Nil	N/A	N/A	N/A	24,446	24,446
	2013	Nil	N/A	Nil	N/A	N/A	N/A	19,744	19,744
	2012	Nil	N/A	Nil	N/A	N/A	N/A	21,446	21,446

Yves Clement ⁽⁴⁾ Vice-President, Exploration	2014	Nil	N/A	Nil	N/A	N/A	N/A	122,231	122,231
	2013	Nil	N/A	Nil	N/A	N/A	N/A	128,102	128,102
	2012	Nil	N/A	124,000	N/A	N/A	N/A	150,000	150,000
James Longshore ⁽⁵⁾ General Manager, Ghana Operations	2014	Nil	N/A	Nil	N/A	N/A	N/A	259,752	259,752
	2013	Nil	N/A	Nil	N/A	N/A	N/A	214,394	214,394
	2012	Nil	N/A	233,713	N/A	N/A	N/A	126,451	360,164

- (1) The fair value of these options has been calculated in accordance with ASC718 under US GAAP. The grant date fair value does not materially differ from that calculated under the CICA Handbook or International Financial Reporting Standards. The methodology used to calculate the grant date fair value was the Black-Scholes method, with a volatility assumption of 95%, an expected life of 7.5 years and an interest free rate of 1.75%.
- (2) Mr. Zyla was appointed President and Chief Executive Officer effective June 1, 2010. As of the date of this Circular, Mr. Zyla provides his consulting services to the Company on a month-to-month basis (see "Consulting Arrangements with Named Executive Officers – Consulting Arrangements with President and Chief Executive Officer"). With respect to the compensation noted above under "All Other Compensation", in 2012, Mr. Zyla received (a) \$35,910 for consulting services provided to the Company; and (b) \$8,001 for directors' fees. In 2013, Mr. Zyla received (a) \$28,676 for consulting services provided to the Company; and (b) \$3,762 for directors' fees. In 2014, Mr. Zyla received (a) \$31,690 for consulting services provided to the Company; and (b) C\$3,622 for directors' fees. The compensation was paid in C\$ and translated at the average exchange rate of C\$1.00 = US\$0.9054.
- (3) Mr. Ross was appointed Chief Financial Officer effective July 1, 2010. The Company entered into a management consulting agreement with Mr. Ross on September 1, 2010 (see "Consulting Arrangements with Named Executive Officers – Consulting Agreement with Chief Financial Officer"). Mr. Ross received the compensation noted above under "All Other Compensation" for the provision of consulting services to the Company, which compensation was paid in C\$ and translated at the average exchange rate of C\$1.00 = US\$0.9054.
- (4) Mr. Clement was appointed as Vice-President, Exploration on May 1, 2006. As of the date of this Circular, Mr. Clement provides his consulting services to the Company on a month-to-month basis (see "Consulting Arrangements with Named Executive Officers – Consulting Arrangements with Vice-President, Exploration"). Mr. Clement received the compensation noted above under "All Other Compensation" for the provision of consulting services to the Company, which compensation was paid in C\$ and translated at the average exchange rate of C\$1.00 = US\$0.9054.
- (5) As of the date of this Circular, Mr. Longshore provides his consulting services to the Company on a month-to-month basis through Brokton International Ltd. ("**Brokton**"), a Turks and Caicos corporation of which Mr. Longshore is the sole officer, director and shareholder. Mr. Longshore received the compensation noted above for the provision of consulting services as the General Manager, Ghana Operations (see "Consulting Arrangements with Named Executive Officer – Consulting Arrangements with General Manager, Ghana Operations"). With respect to the compensation noted above under "All Other Compensation", in 2012, Mr. Longshore received (a) \$120,000 for consulting services provided to the Company; and (b) \$6,451 from Ravenclaw Mining Limited ("**Ravenclaw**"). In 2013, Mr. Longshore received (a) \$120,000 for consulting services provided to the Company; and (b) \$112,683 from Ravenclaw. In 2014, Mr. Longshore received (a) \$114,000 for consulting services provided to the Company; (b) C\$1,358 for directors' fees; and (c) \$144,394 from Ravenclaw of which \$72,197 was payable to other Ravenclaw shareholders. Ravenclaw is a Swiss company engaged by the Company to assist in overseeing the independent Ghanaian contract miners who conduct recovery of placer gold operations at the Company's Kwabeng, Kibi, and Pameng Projects in order to limit our involvement in these operations and enable the Company to focus on lode gold exploration activities. As of the date of this Circular, Mr. Longshore is a shareholder and the Managing Director of Ravenclaw.

INCENTIVE PLAN AWARDS

OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS

The following table sets forth the option-based awards granted to the NEOs during the financial year ended December 31, 2014 as well as the option-based awards granted in prior years that were outstanding as at December 31, 2014. No share-based awards or non-equity incentive plan compensation has been awarded by the Company to the NEOs.

Name	Option-based Awards				Share-based Awards	
	Number of common shares underlying unexercised options (#)	Option exercise price ⁽¹⁾ (US\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)
Paul Zyla	108,000	C\$0.50 ^{(3)(a)}	January 25, 2020	Nil	N/A	N/A
	300,000	C\$0.50 ^{(3)(a)(4)}	December 31, 2022	Nil	N/A	N/A
John C. Ross	90,000	C\$0.50	July 1, 2020	Nil	N/A	N/A
Yves Clement	324,000	C\$0.50 ^{(3)(b)}	May 1, 2016	Nil	N/A	N/A
	100,000	C\$0.50 ^{(3)(b)}	March 1, 2021	Nil	N/A	N/A
James Longshore ⁽³⁾	162,000	C\$0.50 ^{(3)(a)}	March 1, 2017	Nil	N/A	N/A
	63,000	C\$0.50 ^{(3)(a)}	June 1, 2020	Nil	N/A	N/A
	382,000	C\$0.50 ^{(3)(a)(4)}	December 31, 2022	Nil	N/A	N/A

(1) The option exercise price was amended by re-pricing the options to C\$0.50, with disinterested shareholder approval being obtained at the Company's 2014 Meeting and TSX acceptance being subsequently received, and converted into United States dollars at the exchange rate of C\$1.00 = US\$0.9054 as at December 31, 2014.

(2) The value of the unexercised "in the money options" was calculated on the difference between the option exercise price and the market value of the underlying Common Shares on the TSX as of December 31, 2014. The Common Shares are traded on the TSX in Canadian dollars. The closing price of the Common Shares on December 31, 2014, being the last trading day in December 2014, was C\$0.13 (US\$0.12). As at December 31, 2014, the noon spot rate as reported by the Bank of Canada was C\$1.00 = US\$0.9054.

(3) Disinterested shareholder approval will be sought at the annual and special shareholders' meeting to be held on June 22, 2015 for an amendment to the options to re-price the exercise price of the options: (a) from C\$0.50 to C\$0.15; and (b) from C\$0.50 to C\$0.225 in accordance with applicable TSX Policies.

(4) The option exercise price was amended by re-pricing the options to C\$0.50, with disinterested shareholder approval being obtained at the Company's 2014 Meeting and TSX acceptance being subsequently received, and converted into United States dollars at the exchange rate of C\$1.00 = US\$0.9054 as at December 31, 2014.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth the value vested or earned by the NEOs during the financial year ended December 31, 2014.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (US\$)		Share-based awards – Value vested during the year (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
	Monthly Vesting Date	Monthly Value vested ⁽²⁾		
Paul Zyla ⁽³⁾	N/A	Nil	Nil	Nil
John C. Ross ⁽³⁾	N/A	Nil	Nil	Nil
Yves Clement ⁽³⁾	N/A	Nil	Nil	Nil
James Longshore ⁽³⁾	N/A	Nil	Nil	Nil

(1) Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based upon the difference between the market price of the Common Shares on the vesting date (or the nearest trading date) and the exercise price of the options on the vesting date.

(2) The Common Shares are traded on the TSX in Canadian dollars. The exercise price of the options is in U.S. dollars. Exchange rate of C\$1.00 = US\$0.9054.

(3) The option exercise price was amended by re-pricing the options to C\$0.50, with disinterested shareholder approval being obtained at the Company's 2014 Meeting and TSX acceptance being subsequently received, and converted into United States dollars at the exchange rate of C\$1.00 = US\$0.9054 as at December 31, 2014.

(4) No options vested during the year ended December 31, 2014.

BENEFITS AND PERQUISITES

As of the date of this Circular, the Company has not offered any benefits or perquisites to its NEOs other than their entitlement to incentive stock options as disclosed elsewhere in this Circular.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company is not a party to any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a NEO's responsibilities, except as set forth below.

CONSULTING ARRANGEMENTS WITH NAMED EXECUTIVE OFFICERS

Consulting Arrangements with President and Chief Executive Officer

Paul Zyla, President and Chief Executive Officer of the Company, provides certain services to the Company including, but not limited to, the stewardship of the Company, overseeing day-to-day managerial functions of the Company's business, reviewing all business opportunities, reporting to the Board and performing the duties and responsibilities generally associated with being the most senior executive of a reporting company. As of the date of this Circular, Mr. Zyla provides his services to the Company on a month-to-month basis. Effective February 1, 2013, in consideration of cost-saving measures implemented by the Board, Mr. Zyla agreed to a temporary reduction in compensation from CAD\$3,000 (US\$2,716) to CAD\$2,500 (US\$2,264) per month which, as of the date of this Circular, remains in full force and effect and may be subject to further amendment. He is reimbursed for certain expenses incurred in performing his duties to the Company. There is no provision for a payment to be made to Mr. Zyla in the event that his services are

terminated without cause or for payment of additional compensation in the event of a change of control of the Company or a change in his responsibilities.

Consulting Agreement with Chief Financial Officer

The Company entered into a management consulting agreement with John Ross (the "**Ross Agreement**") in his capacity as Chief Executive Officer of the Company effective September 1, 2010 for the provision of certain accounting services to the Company including, but not limited to, financial and general management duties, accounting, financial and reporting control and regulatory reporting duties. Mr. Ross is paid CAD\$500 (US\$453) per day and is reimbursed for out-of-pocket expenses incurred in performing his duties to the Company. The Ross Agreement is not for a defined term. The Company may give written notice to Mr. Ross of its intention to terminate the Ross Agreement on the date therein specified in the notice which shall in any event be a date at least 15 and not more than 30 days after giving of such notice. Mr. Ross may terminate the Ross Agreement at any time upon providing the Company with 60 days' notice. There is no provision for any notice to be given or payments to be made to Mr. Ross in connection with any early termination of the Ross Agreement, without cause or for payment of additional compensation in the event of a change of control of the Company or a change in his responsibilities.

Consulting Arrangements with Vice-President, Exploration

Yves Clement, Vice-President, Exploration of the Company, 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 the Company may wish to acquire an interest, meets with government authorities and retains technical experts, makes recommendations to the Board and its relevant committees with respect to the acquisition and/or abandonment of mineral exploration properties and prepares and implements, subject to the Board's approval, plans for the operation of the Company including plans for exploration programs, costs of operations and other expenditures in connection with the Company's mineral projects.

On March 1, 2011, we entered into a management consulting agreement with Mr. Clement for a term of three years which expired on March 1, 2014. As of the date of this Circular, Mr. Clement provides his services to the Company on a month-to-month basis. The Company is negotiating the terms of a new management consulting agreement with him. Effective February 1, 2013, in consideration of cost-saving measures implemented by the Board, Mr. Clement agreed to a temporary reduction in compensation from CAD\$12,500 (US\$11,318) to CAD\$11,250 (US\$10,186) per month which, as of the date of this Circular, remains in full force and effect and may be subject to further amendment. Mr. Clement is reimbursed for certain expenses incurred in performing his duties to the Company. There is no provision for a payment to be made to Mr. Clement in the event that his services are terminated without cause or for payment of additional compensation in the event of a change of control of the Company or a change in his responsibilities.

Consulting Arrangements with General Manager, Ghana Operations

The consulting services of James Longshore, as the Company's General Manager, Ghana Operations is provided by Brokton through which Mr. Longshore oversees administrative and exploration activities relating to the Company's mineral projects. As of the date of this Circular, Brokton provides Mr. Longshore's services to the Company on a month-to-month

basis and is paid US\$9,500 per month. Effective February 1, 2013, in consideration of cost-saving measures implemented by the Board, Brokton agreed to a temporary reduction in compensation from US\$10,000 to US\$9,500 per month which, as of the date of this Circular, remains in full force and effect and may be subject to further amendment. Brokton is reimbursed for certain expenses incurred by Mr. Longshore in performing his duties to the Company and its Ghanaian subsidiaries, XG Mining and XGEL. There is no provision for a payment to be made to Brokton in the event that Mr. Longshore's services are terminated without cause or for payment of additional compensation in the event of a change of control of the Company or a change in his responsibilities.

PENSION PLANS AND TERMINATION OF EMPLOYMENT

The Company does not provide any pension, retirement plan or other such remuneration for its executive officers. There are not any plans or arrangements to compensate the Company's executive officers in the event of the termination of employment or a change in control of the Company.

DIRECTORS AND OFFICERS INSURANCE

The Company has purchased an insurance policy which covers actions against its directors and officers. The insurance policy provides coverage for up to an aggregate of CAD\$3,000,000 (US\$2,716,200) effective as of January 23, 2015 and will expire on January 23, 2016. The annual premium paid for this insurance policy was CAD\$12,420 (US\$11,245). The Company also purchased kidnap insurance in January 2014 that provides for coverage of up to an aggregate of CAD\$1,000,000 (US\$905,400). This policy is effective from January 23, 2014 and will expire on January 23, 2017. The total premium paid for this insurance policy was CAD\$3,195 (US\$2,893).

DIRECTOR COMPENSATION

In March 2007, the Company established a structure to provide compensation for its directors and repayment of certain expenses. Directors' fees are paid on a quarterly basis. As of December 31, 2013, we did not pay fees to directors for their attendance at Board meetings. The directors are reimbursed for out-of-pocket expenses incurred while acting in their capacities as directors of the Company.

The following table sets forth information with respect to all amounts of compensation provided to the Company's directors, who are not Named Executive Officers, during the fiscal year ended December 31, 2014.

DIRECTOR COMPENSATION TABLE

Name ⁽¹⁾	Director Fees Earned ⁽²⁾ (US\$)	Share-based Awards (US\$)	Option-based Awards ⁽³⁾ (US\$)	Non-Equity Incentive Plan Compensation (US\$)	All Other Compensation (US\$)	Total (US\$)
Richard W. Grayston ⁽⁴⁾	5,574	Nil	Nil	Nil	Nil	5,574
Peter Minuk ⁽⁵⁾	2,716	Nil	Nil	Nil	5,432 ⁽⁴⁾	8,148
Robert J. Casaceli ⁽⁶⁾	1,500	Nil	Nil	Nil	Nil	1,500
James Schweitzer	2,716	Nil	Nil	Nil	Nil	2,716
Dr. Guy Della Valle ⁽⁷⁾	1,358	Nil	17,840	Nil	Nil	19,198

- (1) Each of Messrs. Zyla and Longshore was a director and Named Executive Officer during the year ended December 31, 2014. Any compensation received by them in their capacity as a director of the Company is reflected in the Summary Compensation Table for the Named Executive Officers.
- (2) Except for the director fees paid to Mr. Casaceli, a former director of the Company, all other director fees referred to above were paid in C\$ and translated at the average foreign exchange rate of C\$1.00 = US\$0.9054.
- (3) The fair value of these options has been calculated in accordance with ASC718 under US GAAP. The grant date fair value does not materially differ from that calculated under the CICA Handbook or International Financial Reporting Standards. The methodology used to calculate the grant date fair value was the Black-Scholes method, with a volatility assumption of 95%, an expected life of 7.5 years and an interest free rate of 1.75%.
- (4) Mr. Grayston will not be standing for re-election as a director of the Company at the Meeting.
- (5) Mr. Minuk was not re-appointed as an officer of the Company following the 2014 Meeting. He was paid for his services as Secretary and Treasurer of the Company from January 1 to June 19, 2014 in C\$ and translated at the average foreign exchange rate of C\$1.00 = US\$0.9054.
- (6) Mr. Casaceli did not stand for re-election as a director of the Company at the 2014 Meeting.
- (7) Dr. Della Valle will not be standing for re-election as a director of the Company at the Meeting.

OUTSTANDING OPTION-BASED AWARDS AND SHARE-BASED AWARDS

The following table sets forth the option-based awards granted to each director, who was not a Named Executive Officer, as at the financial year ended December 31, 2014 as well as the option-based awards granted in prior years that were outstanding as at December 31, 2014. No share-based awards or non-equity incentive plan compensation has been awarded by the Company to these directors.

Name ⁽¹⁾	Option-based Awards				Share-based Awards	
	Number of common shares underlying unexercised options (#)	Option exercise price ⁽²⁾ (US\$)	Option expiration date	Value of unexercised in-the-money options ⁽³⁾ (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)
Richard W. Grayston ⁽⁴⁾	162,000 63,000	C\$0.50 C\$0.50	March 1, 2017 June 1, 2020	Nil Nil	N/A N/A	N/A N/A
Peter Minuk	108,000 48,000	C\$0.50 C\$0.50	March 1, 2017 June 1, 2020	Nil Nil	N/A N/A	N/A N/A
Robert J. Casaceli ⁽⁵⁾	108,000	C\$0.50	February 1, 2020	Nil	N/A	N/A
James Schweitzer	108,000	C\$0.50 ⁽⁶⁾	June 10, 2021	Nil	N/A	N/A
Dr. Guy Della Valle ⁽⁷⁾	108,000	C\$0.50 ⁽⁶⁾	June 19, 2024	Nil	N/A	N/A

- (1) Each of Mr. Zyla and Mr. Longshore was a director and Named Executive Officer during the year ended December 31, 2014. Any compensation received by them in their capacity as a director of the Company is reflected in the Summary Compensation Table for the Named Executive Officers.
- (2) The option exercise price was amended by re-pricing the options to C\$0.50, with disinterested shareholder approval being obtained at the Company's 2014 Meeting and TSX acceptance being

subsequently received, and converted into United States dollars at the exchange rate of C\$1.00 = US\$0.9054 as at December 31, 2014.

- (3) The value of the unexercised “in the money options” was calculated on the difference between the option exercise price and the market value of the underlying common shares on the TSX as of December 31, 2014. The Company’s shares are traded on the TSX in Canadian dollars. The closing price of the common shares on December 31, 2014, being the last trading day in December 2014, was C\$0.13 and the value in Canadian dollars were translated into U.S. dollars of US\$0.12. As at December 31, 2014, the noon spot rate as reported by the Bank of Canada was C\$1.00 = U\$0.9054.
- (4) Mr. Grayston will not be standing for re-election as a director of the Company at the Meeting.
- (5) Mr. Casaceli did not stand for re-election as a director of the Company at the 2014 Meeting.
- (6) Disinterested shareholder approval will be sought at the annual and special shareholders’ meeting to be held on June 22, 2015 for an amendment to the options to re-price the exercise price of the options from C\$0.50 (US\$0.45) to C\$0.15 (US\$0.14) in accordance with applicable TSX Policies.
- (7) Dr. Della Valle will not be standing for re-election as a director of the Company at the Meeting.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth the value vested or earned by the non-executive directors of the Company during the financial year ended December 31, 2014.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (US\$)		Share-based awards – Value vested during the year (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
	Monthly Vesting Date	Monthly Value vested ⁽²⁾		
James Schweitzer ⁽³⁾	January 10, 2014	4,007	Nil	Nil
	February 10, 2014	4,007	Nil	Nil
	March 10, 2014	4,007	Nil	Nil
	April 10, 2014	4,007	Nil	Nil
	May 10, 2014	4,007	Nil	Nil
	Total Value Vested	20,035	Nil	Nil
Dr. Guy Della Valle	June 19, 2014	17,840	Nil	Nil
	Total Value Vested	17,840	Nil	Nil

- (1) Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based upon the difference between the market price of the Company’s common shares on the vesting date (or the nearest trading date) and the exercise price of the options on the vesting date.
- (2) The Company’s shares are traded on the TSX in Canadian dollars. The exercise price of the options is in U.S. dollars. Exchange rate of C\$1.00 = US\$0.9054.
- (3) 3,000 options vested monthly on the 10th day of each month from January to July during the year ended December 31, 2014.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the Company’s financial year ended December 31, 2014, all information required in connection with compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans [excluding Securities Reflected in Column (A)] (C)
Equity compensation plans approved by securityholders ⁽¹⁾⁽²⁾	2,426,000	US\$0.43	2,036,641
Equity compensation plans not approved by securityholders	None	N/A	N/A
Total	2,426,000 ⁽³⁾	US\$0.43	2,036,641

- (1) All stock options granted prior to the date of this Circular are subject to the terms and conditions of the Option Plan.
- (2) In 2012, 110,000 stock options were exercised under the Company's Option Plan by a consultant of the Company.
- (3) Representing approximately 5.31% of the issued and outstanding Common Shares as at December 31, 2014.

STOCK OPTION PLAN

10% Rolling Stock Option Plan

During 2010, the Board considered and believed that it was advisable and in the best interests of the Company to terminate the fixed 2005 Equity Incentive Compensation Plan (the "2005 Plan") and replace it with a new 10% rolling stock option plan (the "Option Plan"). On May 12, 2011, the Board authorized, approved and adopted the Option Plan which received approval by the Company's shareholders at the annual and special meeting held on June 10, 2011. The Company subsequently received final acceptance of the Option Plan from the TSX on July 13, 2011. The Option Plan replaced the 2005 Plan.

The TSX's rules relating to security-based compensation arrangements require that every three years after the institution of a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable, all unallocated options must be approved by a majority of the Company's directors and by the Company's shareholders. The Board approved all unallocated options under the Option Plan on March 26, 2014. The unallocated options issuable under the Option Plan were approved by the Shareholders of the Company at the annual and special meeting on June 19, 2014. The three-year term prescribed by the TSX will expire on June 19, 2017.

The Option Plan is a "rolling" stock option plan such that no options shall be granted under the Option Plan if such grant could result, at any time, in the number of Common Shares reserved for issuance pursuant to options granted exceeding 10% of the issued and outstanding Common Shares as of the date of the grant.

The Board is of the opinion that the implementation of the Option Plan and the effective increase in the number of Common Shares available for issuance pursuant to the granting of stock options under the Option Plan will assist the Company in continuing to attract, retain and motivate its directors, officers, key employees and consultants and other eligible persons (the "Eligible Persons") whose contributions are important to the future success of the Company.

General

Any capitalized terms not specifically defined in this section have the meaning ascribed in the Option Plan.

Purpose of the Option Plan

The purpose of the Option Plan is to encourage stock ownership by our officers, directors, key employees and consultants, and to give such persons a greater personal interest in the success of the Company's business and an added incentive to continue to advance and contribute to the Company.

Eligibility

The Company's officers, directors, key employees and consultants are eligible to receive stock grants and NSO's under the Option Plan.

Administration

The Option Plan is administered by the Compensation Committee who determines from time to time those of the Eligible Persons to whom stock grants or plan options are to be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted, the dates such Plan options become exercisable, the number of shares subject to each option, the purchase price of such shares and the form of payment of such purchase price. All other questions relating to the administration of the Option Plan, and the interpretation of the provisions thereof and of the related option agreements, are resolved by our Compensation Committee. The Board approves grants of NSO's on recommendation from our Compensation Committee.

Shares Subject to Awards

Pursuant to the Option Plan, the Company may issue no more than 10% of the 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 Eligible Person, except consultants, in any 12 month period, unless disinterested shareholder approval is obtained. The maximum number of Common Shares that may be issued to a Consultant under the Option Plan in a 12 month period shall not exceed 2% of the Common Shares outstanding. The number of securities issuable to the Company's insiders, 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 the Option Plan options may be authorized and unissued shares or shares reacquired by the Company. Common Shares covered by the Option Plan options which terminate unexercised or 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 shares issuable under the Option Plan.

Terms of Exercise

The Option Plan provides that the options granted thereunder shall be exercisable from time to time in whole or in part, unless otherwise specified by the Compensation Committee, and provided that no option shall have a term exceeding 10 years.

Exercise Price

The purchase price for Common Shares subject to options is determined at the time of grant by the Board or the Compensation Committee at the discretion of the Board. The exercise price shall not be less than the closing price of the Common Shares on the Stock Exchange (as defined in the Option Plan), on the trading day immediately preceding the day of the grant of the option. If the purchase price is paid with consideration other than cash, the Compensation Committee shall determine the fair value of such consideration to the Company in monetary terms. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Compensation Committee in its sole discretion, subject to approval by the Shareholders of the Company and to acceptance by the TSX respectively, if applicable.

Option Period

The period during which Options may be exercised shall be determined by the Board 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 (1/4) of the Options vesting in any three month period.

Reduced Option Period due to Termination of Employment or Death

Termination of Employment

If a Participant shall:

- (a) cease to be a director or officer of the Company and any of its Designated Affiliates (and is not or does not continue to be an employee thereof); or
- (b) cease to be employed by the Company or any of its Designated Affiliates or to provide consulting services to the Company or any of its Designated Affiliates (and is not or does not continue to be a director or officer thereof) for any reason (other than death) or shall receive notice from the Company or any of its Designated Affiliates of the termination of his or her employment or provision of consulting services (collectively, "**Termination**") he or she may, but only within 365 days next succeeding such Termination, or for such shorter period of time as may be set forth in the Option Agreement, exercise his or her Options to the extent that he or she was entitled to exercise such Options at the date of such Termination, provided that in no event shall such right extend beyond the Option Period. This section is subject to any agreement with any director or officer of the Company or any of its Designated Affiliates with respect to the rights of such director or officer upon Termination or change in control of the Company.

Death of Participant

In the event of the death of a Participant who is a director or officer of the Company or any of its Designated Affiliates or who is an employee having been continuously in the employ of the Company or any of its Designated Affiliates or who has continuously provided consulting services to the Company or any of its Designated Affiliates for one year from and after the date of the granting of his or her Option, the Option theretofore granted to him or her shall be exercisable within the 365 days next succeeding such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) to the extent that he or she was entitled to exercise the Option at the date of his or her death, provided that in no event shall such right extend beyond the Option Period.

The Option Period may be reduced in the event of termination of employment or death of the Participant as provided for in the Option Plan.

Transferability

The benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Option Plan shall not be transferable or assignable by an Optionee unless specifically provided herein. During the lifetime of a Participant, all benefits, rights and options shall only be exercised by the Optionee or by his or her guardian or legal representative.

Amendment, Modification or Termination of the Option Plan

Subject to requisite shareholder and regulatory approvals set forth below, the Board, or the Compensation Committee of the Board, may from time to time amend or revise the terms of the Option Plan or may discontinue the Option Plan at any time provided however that no such right may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Option Plan. Any reduction in the exercise price of Options, if the Optionee is an insider of the Company at the time of the proposed amendment, will require disinterested shareholder approval pursuant to the Policies of the Stock Exchange.

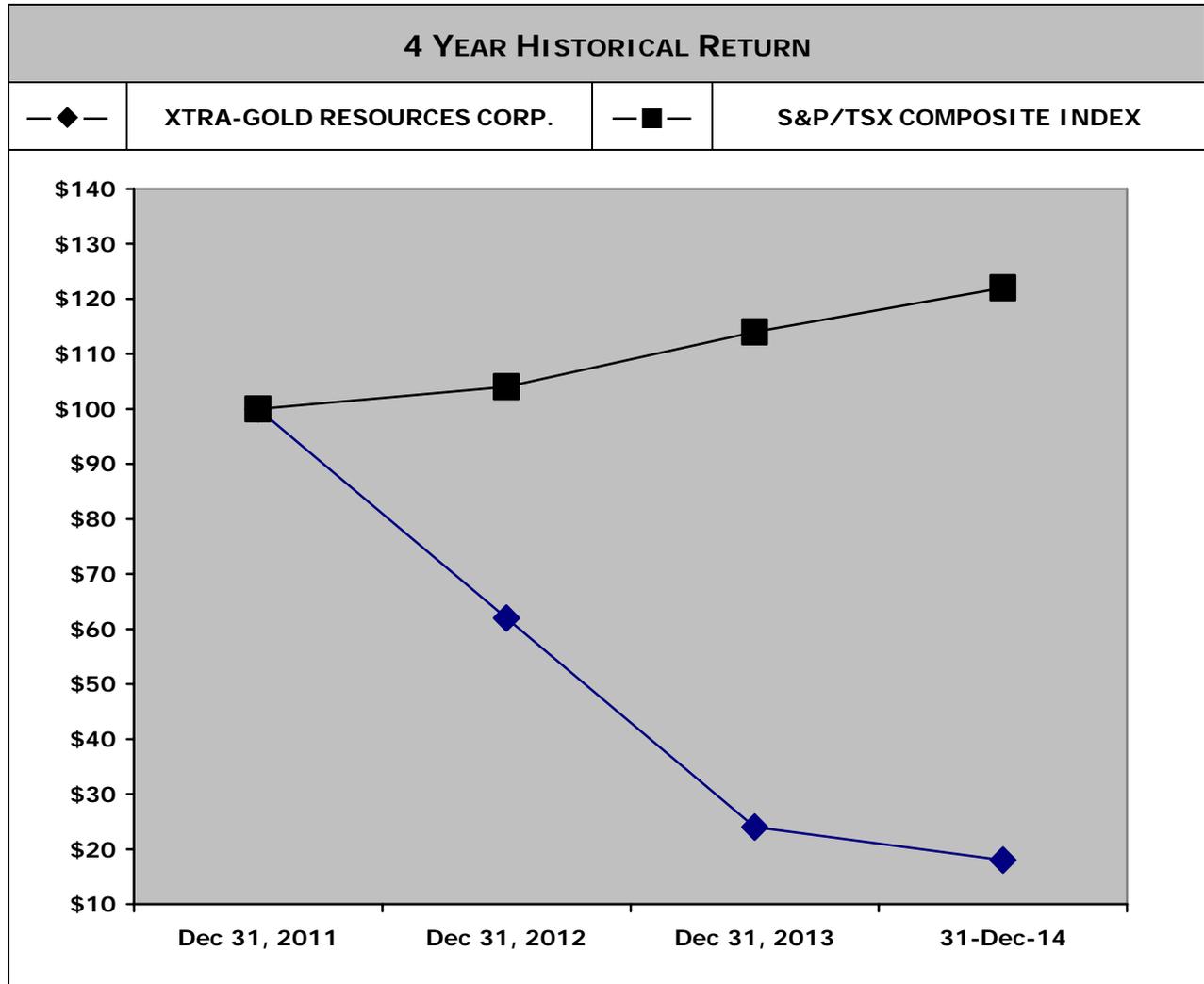
- (a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Option Plan:
 - (i) any amendment to the number of securities issuable under the Option Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;
 - (ii) any change to the definition of "Participants" or an "Optionee" which would have the potential of narrowing or broadening or increasing insider participation;
 - (iii) the addition of any form of financial assistance;
 - (iv) any amendment to a financial assistance provision which is more favourable to Participants or Optionees;
 - (v) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction in the number of underlying securities from the Option Plan;
 - (vi) the addition of deferred or restricted share unit or any other provision which results in Optionees receiving securities while no cash consideration is received by the Company; and

- (vii) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Optionees, especially to insiders of the Company, at the expense of the Company and its existing shareholders.
- (b) The Board may, subject to receipt of requisite regulatory acceptance, where required, in its sole discretion make all other amendments to the Option Plan that are not of the type contemplated in subparagraph (a) above, including, without limitation:
 - (i) amendments of a housekeeping nature;
 - (ii) the addition of or a change to vesting provisions of a security or the Option Plan; and
 - (iii) a change to the termination provisions of a security or the Option Plan which does not entail an extension beyond the original expiry date.
- (c) Notwithstanding the provisions of subparagraph (b), the Company shall additionally obtain requisite shareholder approval in respect of amendments to the Option Plan that are contemplated pursuant to subparagraph (b) to the extent such approval is required by any applicable law or regulations.
- (d) The Board has discretion to change exercise periods for the options except to the extent that those exercise periods are in connection with grants to any insider. Applicable TSX Policy requires that for the extension of the term under a security based compensation agreement, i.e. a stock option agreement, benefitting an insider of the Company, the Company must receive disinterested security holder approval.

SHARE PERFORMANCE GRAPH

Share Performance Graph

The Company's Common Shares are listed and posted for trading on the TSX under the symbol "XTG" and are also quoted on the Over-the-Counter Bulletin Board under the symbol "XTGRF". The Common Shares commenced trading on the TSX on November 23, 2010. The following chart compares the cumulative total shareholder return on C\$100 invested in the Company's common shares and the TSX Composite Total Return Index for the last day of each year from December 31, 2011 to December 31, 2014.



	XTRA-GOLD RESOURCES CORP.	S&P/TSX COMPOSITE INDEX
2011	\$100	\$100
2012	\$62	\$104
2013	\$24	\$114
2014	\$18	\$122

The trend shown by the performance graph represents a general decrease in the value of the Common Shares over the last fiscal year, diverging from an upward trend in the S&P/TSX Composite Index, reflecting that although there have been some improvements in the overall markets generally, the junior gold exploration companies have not started to improve yet.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee of the Company is governed by its Audit Committee Charter, a copy of which is annexed to this Circular as Schedule "A".

Composition of the Audit Committee

The current members of the Company's Audit Committee are Richard W. Grayston, who is also the Chair of the Audit Committee, James H. Schweitzer and Peter Minuk. As disclosed elsewhere in this Circular, Mr. Grayston will not be standing for re-election as a director of the Company at the Meeting. Mr. Hans Morsches is a proposed nominee as director of the Company to be elected at the Meeting. Following his election at the Meeting, he will be appointed as a member of the Audit Committee to fill the vacancy created by Mr. Grayston's resignation. All members of the Audit Committee, as noted below, are or will be independent members of the Audit Committee within the meaning of NI 52-110 and in the Marketplace Rules of the NASDAQ. All of the members of the Audit Committee are financially literate as defined by NI 52-110. Each of Mr. Schweitzer, Mr. Minuk and Mr. Morsches is an "audit committee financial expert" within the meaning of Item 401(h)(1) of Regulation S-K. In general, an "audit committee financial expert" is an individual member of the audit committee who (a) understands generally accepted accounting principles and financial statements, (b) is able to assess the general application of such principles in connection with accounting for estimates and accruals, (c) 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, (d) understands internal controls over financial reporting (e) understands audit committee functions, and (f) is an independent director.

Relevant Education and Experience

Mr. Grayston is a business consultant with more than 29 years of experience in financial and economic consulting and public company management including preparation of valuations, feasibility studies, capital budgeting, financial reorganizations, profit improvement studies and business plans and going public and business brokerage during which time he has provided his consulting services to mineral exploration, oil and gas, technology, manufacturing, retail and wholesale consumer businesses. Mr. Grayston has experience with reviewing financial statements and related management discussion and analysis and discussing financial issues with management, accountants and auditors and, as a result, he possesses the understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company. Mr. Grayston received a Ph.D. in Finance and Economics from the University of Chicago in 1971, a M.B.A. from the University of Chicago in 1969, a B.A. of Commerce from the University of British Columbia in 1966 and became a certified general accountant in 1977.

Mr. Schweitzer is a retired businessman with more than 55 years of experience in the investment industry, in particular, in the securities sector, as a Registered Representative and as a Trading Officer. He was employed by Haywood as a Registered Representative from February 2003 to June 2011. Mr. Schweitzer has experience with reviewing financial statements and related management discussion and analysis and discussing financial issues with management, accountants and auditors and, as a result, he possesses the understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

Mr. Minuk has more than 26 years of experience in finance and investment. Mr. Minuk served as Vice-President, Finance of the Company from March 2007 to January 2009 and as Secretary-Treasurer from August 2009 to June 2014. As he is no longer an officer of the Company, he is deemed to be an independent director within the meaning of NI 52-110. Mr. Minuk was employed by BMO InvestorLine from 1990 to 2006 as a manager of project management protocols. Mr. Minuk has experience with reviewing financial statements and related management discussion and analysis and discussing financial issues with management, accountants and auditors and, as a result, he possesses the understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

Mr. Morsches has more than 25 years of experience in the insurance industry. He has been employed as Senior Market Manager of Unum at its Kansas City and St. Louis offices in Missouri since 1999. Mr. Morsches has experience with reviewing financial statements and related management discussion and analysis and discussing financial issues with management, accountants and auditors and, as a result, he possesses the understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Company.

Audit Committee Oversight

The Audit Committee has not made a recommendation to the Board that was not adopted by the Board, to nominate or compensate any external auditor.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of the Company's auditors to provide non-audit services, as and when required.

EXTERNAL AUDITOR SERVICES

Audit Fee

The aggregate audit fees billed by the Company's external auditors for the years ended December 31, 2014 and 2013 were \$45,000 and \$35,000, respectively.

Audit-Related Fees

Audit-related fees consist of assurance and related services by the Company's external auditors that are reasonably related to the performance of the audit or review of the Company's quarterly financial statements and are not reported above under "Audit Fees." The Company paid its external auditors \$nil and \$9,500 for audit-related fees for the years ended December 31, 2014 and 2013, respectively.

Tax Fees

Tax fees consist of professional services rendered by the Company's external auditors for tax compliance and tax advice. As at the date of this Circular, the Company has not paid its external auditors for tax fees for the years ended December 31, 2014 and 2013, respectively.

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 the Company's external auditors in the years ended December 31, 2014 and 2013, respectively.

The Audit Committee has adopted a procedure for pre-approval of all fees charged by the Company's external auditors. Under the procedure, the Audit Committee approves the engagement letter with respect to audit, tax and review services. Other fees are subject to pre-approval by the Audit Committee. The audit and tax fees paid to the external auditors with respect to the years ended December 31, 2014 and 2013 were pre-approved by the Audit Committee.

Reliance on Exemptions

The Company is not relying upon any exemptions set forth in NI 52-110.

CORPORATE GOVERNANCE

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders. Corporate governance takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision-making.

Effective June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”) were adopted by the Canadian Securities Administrators. The Guidelines set forth a series of non-prescriptive guidelines for effective corporate governance and deals with such matters as the constitution of a board of directors, its composition, orientation and continuing education for board members, a written mandate of the role of the board and its responsibilities and the functions to be performed by a board. The Guidelines require that the Company disclose its corporate governance practices in this Circular. The Board believes that the Company has implemented corporate governance practices that are effective and appropriate with respect to the Company's size and level of activity. The Board approved and adopted a Corporate Governance Policies and Procedures Manual in December 2009. The following summarizes the Company's approach to corporate governance in accordance with NI 58-101 and the Guidelines.

BOARD OF DIRECTORS

The Board is currently comprised of six (6) directors being Richard Grayston (Chair), Paul Zyla, Peter Minuk, James Schweitzer, James Longshore and Dr. Guy Della Valle.

As noted elsewhere in this Circular, Messrs. Zyla and Grayston and Dr. Della Valle will not be standing for re-election as a director of the Company at the Meeting. Denis Laviolette and Hans Morsches will be presented as nominee directors at the Meeting. In the event that the Shareholders of the Company approve their election as directors, the Board will be comprised of the following five (5) directors; namely Peter Minuk, James Schweitzer, James Longshore, Denis Laviolette and Hans Morsches.

The Board has determined that following election by the Shareholders of the five (5) directors noted in the foregoing paragraph, Peter Minuk, James Schweitzer, Denis Laviolette and Hans Morsches will be independent within the meaning of NI 58-101 and the Marketplace Rules of the NASDAQ and as is required by the applicable policies of the TSX. James Longshore is not independent within the meaning of NI 58-101 as he is an officer of the Company and thereby has a "material relationship" with the Company.

Other Public Company Directorships

Certain directors of the Company also serve as directors of any other company that is a reporting issuer or equivalent in any Canadian or foreign jurisdiction. The following table identifies the director and the other issuers.

Name of Director	Name of Reporting Issuer	Director Since
Paul Zyla	Buccaneer Gold Corp.	November 2009
	(formerly Verbina Resources Inc.) NV Gold Corporation	October 2011
Richard W. Grayston	Buccaneer Gold Corp.	November 2009
	Logan Resources Ltd.	July 2012
	Glenmark Capital Corp.	December 2012
	Anacott Resources Corp.	February 2013
	Linqster Technologies Inc.	February 2013
	Sparx Energy Corp.	February 2013
Teldar Resources Corp.	February 2013	

None of the other current directors of the Company serve as a director of any other company that is a reporting issuer or equivalent in any Canadian or foreign jurisdiction.

None of the proposed nominee directors of the Company serve as a director of any other company that is a reporting issuer or equivalent in any Canadian or foreign jurisdiction.

Frequency of Meetings

The frequency of Board meetings and meetings of the various Board committees in a financial year is dependent upon the nature of the business to be considered.

Attendance Policy

Directors of the Company are expected to attend all meetings of the Board and all meetings of the Board committees upon which they serve and are to be fully prepared, including having fully reviewed all documentation sent to them prior to a meeting. In the instance where a director is unable to attend a meeting, the director will, as soon as is practicable following a meeting, contact the Chair of the meeting, the CEO or the Secretary and Treasurer in order to be briefed on the substantive elements of the meeting.

Attendance Record

The Board held four (4) meetings during the financial year ended December 31, 2014 which were attended by all of the directors, except that Dr. Della Valle was unable to attend one meeting. The Audit Committee held three (3) meetings during the financial year ended December 31, 2014 which were attended by all members.

Meetings of Independent Directors

The Board does not hold regularly scheduled meetings of the independent directors, rather, such *in camera* meetings are held as and when necessary or suggested by any director. The independent directors held informal meetings prior to scheduled meetings of the Board during the financial year ended December 31, 2014.

BOARD MANDATE

The Board has adopted a comprehensive written mandate in which it assumes responsibility for the stewardship and development of the Company. The mandate provides that: (1) the Board's primary responsibility is to develop and adopt the strategic direction of the Company and to, at least annually, review and approve a strategic plan as developed and proposed by management, which takes into account the business opportunities and risks of the Company; and (ii) the Board is responsible for reviewing and approving the Company's financial objectives, plans and actions, including significant capital allocations and expenditures.

The Board is also responsible for, among other things: (i) monitoring corporate performance; (ii) identifying principal business risks and ensuring that appropriate systems are put in place to manage such risks; (iii) monitoring and ensuring internal control and procedures, (iv) ensuring appropriate standards of corporate conduct; (v) reviewing and approving financial statements and management's discussion and analysis; (vi) reviewing compensation of the members of the Board; (vii) reviewing and approving material transactions and annual budgets; (viii) developing the Company's approach to corporate governance; (ix) identifying and recommending new nominees; and (x) assessing its own effectiveness in fulfilling its mandate. The Board's mandate sets forth procedures relating to the Board's operations such as the size of the Board and evaluations, compensation and access to independent advisors.

POSITION DESCRIPTIONS

Chairman of the Board

The Board has developed and adopted a written position description for the Chairman of the Board, indicating that the Chairman is responsible for, among other things, chairing all meetings of the Board in a manner that promotes meaningful discussion, providing leadership to enhance the Board's effectiveness and acting as a liaison between the Board and management.

Chairman of the Audit Committee

The Board has adopted a written position description for the Chairman of the Audit Committee, indicating that the Chairman of the Audit Committee is responsible for, among other things, chairing all meetings of the Audit Committee, ensuring the Audit Committee monitors the Company's financial reporting process and internal control systems independently and objectively, ensuring procedures are in place to review the Company's public financial disclosure and overseeing the Audit Committee's participation in the accounting and financial reporting process and audits of the financial statements.

Chairman of the Nominating and Corporate Governance Committee

The Board has adopted a written position description for the Chairman of the Nominating and Governance Committee, indicating that the Chairman of the Nominating and Governance Committee is responsible for, among other things, assessing the effectiveness of the Board and the Company's governance, reviewing the Board's compensation on at least an annual basis and reviewing and recommending to the Board the level of compensation packages for the executive offices and members of senior management.

ORIENTATION AND CONTINUING EDUCATION

Director Orientation

The Board and the Company's senior management conduct orientation programs for new directors. The orientation programs include presentations by Company management to familiarize new directors with the Company's projects, strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its outside legal advisors. In addition, the orientation program includes a review of the Company's expectations of its directors in terms of time and effort, a review of the directors' fiduciary duties and visits to Company headquarters and, to the extent practical, the Company's significant facilities. New members of the Board are provided with full access to or copies of relevant financial, technical, geological, corporate and other information in connection with its properties and business operations. Board members are encouraged to communicate with the Company's management and auditors to keep themselves familiar and current with industry trends and developments.

Continuing Education

To enable each director to better perform his duties and to recognize and deal appropriately with issues that arise, the Company encourages its directors to undertake continuing director education, the cost of which will be borne by the Company.

ETHICAL BUSINESS CONDUCT

The Board has adopted a written code of business conduct and ethics ("**Code of Conduct**") to encourage and promote a culture of ethical business conduct amongst the Company's principal executive officers, principal financial and accounting officers and persons performing similar functions. A Code of Conduct is a written standard designed to deter wrongdoing and to promote (a) honest and ethical conduct, (b) full, fair, accurate, timely and understandable disclosure in regulatory filings and public statements, (c) compliance with applicable laws, rules and regulations, (d) the prompt reporting violation of the Code; and (e) accountability for adherence to the Code. A copy of the Company's Code of Conduct was previously filed as an exhibit to its annual report filed on Form 10-K for the year ended December 31, 2009. Copies of the Code of Conduct are available upon written request to the Company at its principal office. The Audit Committee is responsible for ensuring compliance with the Company's code of conduct. There have been no departures from the Company's code of conduct during the financial year ended December 31, 2014.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by a majority of the non-interested directors. Any interested director is required by the Company's Code of Conduct to declare the nature and extent of his interest and is not entitled to vote on matters which evoke such a conflict.

The Audit Committee is responsible for compliance issues relating to the Code of Conduct, which contains the procedures by which an individual can report actual or potential violations of the Code of Conduct to the Chairman of the Audit Committee. The Code of Conduct provides that any violations of the Code of Conduct by any employee, officer or director are grounds for disciplinary action including termination of employment, office and directorship.

The Company believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by these individuals.

NOMINATION OF DIRECTORS

In November 2009, the Board established the Nominating and Corporate Governance Committee.

Mandate

The Nominating and Corporate Governance Committee holds the responsibility for the appointment and assessment of directors and has adopted a written charter pursuant to which the committee: (i) recommends the slate of director nominees for election to the Board; (ii) identifies and recommends candidates to fill vacancies on the Board; (iii) reviews the composition of Board committees; and (iv) monitors compliance with, reviews and recommends changes to the Company's various corporate governance policies and guidelines.

The Board seeks to achieve a balance of knowledge, experience and capability on the Board.

Composition and Independence

The Nominating and Corporate Governance Committee is currently composed of three directors; namely Messrs. Grayston, Schweitzer and Minuk all of whom have been determined by the Board to be "independent", as defined in NI 58-101 and as is within the meaning of the Marketplace Rules of the NASDAQ. As disclosed elsewhere in this Circular, Mr. Grayston will not be standing for re-election as a director of the Company at the Meeting. Mr. Morsches is a proposed nominee as director of the Company to be elected at the Meeting and is determined by the Board to be "independent" as defined in NI 58-101 and as is within the meaning of the Marketplace Rules of the NASDAQ. Following his election at the Meeting, he will be appointed as a member of the Nominating and Corporate Governance Committee to fill the vacancy created by Mr. Grayston's resignation.

Nomination of Directors

The Nominating and Corporate Governance Committee considers all qualified candidates for our Board identified by members of the Nominating and Corporate Governance Committee, by other members of the Board, by senior management and by the Company's shareholders. The Nominating and Corporate Governance 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. Further, when identifying nominees to serve as director, the Nominating and Corporate Governance Committee seeks to create a Board 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, prior to nominating an existing director for re-election to the Board, the Nominating and Corporate Governance Committee will consider and review an existing

director's Board and committee attendance and performance, length of Board service, experience, skills and contributions that the existing director brings to the Board, equity ownership in the Company and independence.

The Nominating and Corporate Governance Committee follows the same process and uses the same criteria for evaluating candidates proposed by members of the Board, members of senior management and the Company's shareholders. Based on its assessment of each candidate, the Nominating and Corporate Governance Committee recommends candidates to the Board in the event of a vacancy on the Board.

COMPENSATION

In November 2009, the Company established a compensation committee (the "**Compensation Committee**").

Mandate

The Compensation Committee has adopted a written charter pursuant to which the committee is responsible for overseeing the Company's compensation programs and practices, including executive compensation plans and incentive compensation plans. The Board, with the assistance of the Compensation Committee is responsible for reviewing the compensation of members of the Board to ensure that compensation realistically reflects the responsibilities and risks involved in being a director and for reviewing the compensation of members of senior management to ensure that compensation is competitive within the industry and aligns the interests of such individual with those of the Company. The Company's Chief Executive Officer provides input to the Compensation Committee with respect to the individual performance and compensation recommendations for the other executive officers. In connection with its responsibilities relating to compensation of the Company's directors and officers, the Compensation Committee is responsible for: (i) attracting, retaining and motivating talented executives critical to the success of the Company; (ii) providing fair, competitive and cost effective compensation programs to its executives; (iii) linking the interests of management with those of the Shareholders; (iv) providing rewards for outstanding corporate and individual performance; and (v) reviewing the compensation of executive officers on an annual basis. The Compensation Committee may employ independent experts periodically as deemed necessary to review remuneration policies for executive officers and directors. No such independent expert was engaged for the financial year ended December 31, 2014.

Composition and Independence

The Compensation Committee is currently composed of three directors; namely Messrs. Grayston, Schweitzer and Minuk, all of whom have been determined by the Board to be "independent," as defined in NI 58-101 and as is within the meaning of the Marketplace Rules of the NASDAQ. Mr. Grayston is also the Chair of the Compensation Committee. As disclosed elsewhere in this Circular, Mr. Grayston will not be standing for re-election as a director of the Company at the Meeting. Mr. Morsches is a proposed nominee as director of the Company to be elected at the Meeting and is determined by the Board to be "independent" as defined in NI 58-101 and as is within the meaning of the Marketplace Rules of the NASDAQ. Following his election as a director of the Company at the Meeting, Mr. Morsches will be appointed as a member of the Nominating and Corporate Governance Committee to fill the vacancy created by Mr. Grayston's resignation. Mr. Schweitzer will act as the Chair of the Compensation Committee.

OTHER BOARD COMMITTEES

Other than the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee, the Board has no other committees. From time to time, *ad hoc* committees comprised of the directors of the Company may be formed, as deemed necessary, to deal with specific situations.

ASSESSMENTS

The Board does not consider formal assessments useful given the stage of the Company's business and operations. However, the chairman of the Board meets annually with each director individually, which facilitates a discussion of his contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Nominating and Corporate Governance Committee. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

NORMAL COURSE ISSUER BID

The Company announced in a news release disseminated on February 8, 2012 its intention to proceed with a normal course issuer bid to purchase up to 4,045,353 Common Shares of the Company (the "**2012 Bid**"), in accordance with the rules of the TSX.

The Company commenced the 2012 Bid because it believed that the market price of its Common Shares at the time did not fully reflect the underlying value of the Company's business and its future business prospects. The Board believed that the purchase of the Company's Common Shares for cancellation would be in the best interests of the Company by increasing the respective proportionate shareholdings and therefore increasing the respective equity interest in the Company for all remaining Shareholders.

As of February 8, 2012, the Company had 44,679,217 Common Shares issued and outstanding. The 4,045,353 Common Shares that could be purchased by the Company under the 2012 Bid represented approximately 10% of the public float of the Company. The Company received acceptance from the TSX to commence the 2012 Bid on February 9, 2012. The 2012 Bid terminated on February 8, 2013. At the time termination of the 2012 Bid, 68,300 Common Shares had been repurchased by the Company at an average price of C\$0.80 per share and cancelled. The Company's broker under the 2012 Bid was Haywood Securities Inc. ("**Haywood Securities**").

Following the expiration of the 2012 Bid, the Company announced in a news release disseminated on February 15, 2013 that it had renewed the 2012 bid for a further one year to purchase up to 3,957,802 Common Shares of the Company (the "**2013 Bid**"), representing approximately 10% of the public float of the Company. As of February 8, 2013, the Company had 46,539,917 Common Shares issued and outstanding. The Company received acceptance from the TSX to commence the 2013 Bid on February 15, 2013. The 2013 Bid terminated on February 14, 2014. At the time termination of the 2013 Bid, 280,000 Common Shares had been repurchased by the Company at an average price of C\$0.42 per share and cancelled. The Company's broker under the 2013 Bid was Haywood Securities.

The Company announced in a news release disseminated on February 13, 2014 that, following expiration of the 2013 Bid, it would be renewing the 2013 bid for a further one year to purchase up to 4,119,002 Common Shares of the Company (the "2014 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 2,211 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. The Common Shares purchased by the Company will be cancelled.

As of February 10, 2014, the Company had 46,259,917 Common Shares issued and outstanding. The Company received acceptance from the TSX to commence the 2014 Bid on February 13, 2014. The 2014 Bid terminated on February 14, 2015. At the time termination of the 2014 Bid, 533,500 Common Shares had been repurchased by the Company at an average price of C\$0.28 per share and cancelled. The Company's broker under the 2014 Bid was Haywood Securities.

All Common Shares purchased under the 2012, 2013 and 2014 Bids were purchased on the open market through the facilities of the TSX, and payment for the Common Shares was made in accordance with TSX policies. The price paid for the Common Shares was the market price at the time of purchase.

The maximum number of Common Shares that may be purchased on a daily basis is 1,697 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. The Common Shares purchased by the Company will be cancelled.

The Board continues to believe that the current market price of the Company's Common Shares does not accurately reflect the intrinsic value of the Company, and the repurchase by the Company of its Common Shares at the prevailing market price can, in appropriate circumstances, maximize Shareholder value and be in the best interests of the Company.

As at the date of this Circular, the Company has not renewed the 2014 Bid for a further one year period, however, our Board may decide to do so at a later date.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the financial year ended December 31, 2014, and at any time from January 1, 2015 to the date hereof, was a current or former executive officer or director of the Company, any proposed nominee for election as a director of the Company, or any of their respective associates indebted to the Company or any of its subsidiaries or indebted to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

The Company's management functions are performed by its NEOs and the Company has no management agreements or arrangements in place under which such management functions are performed by persons other than the NEOs.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, no person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has or will materially affect the Company.

OTHER MATTERS

Management has no knowledge of any other matters to come before the Meeting, other than those referred to in the Notice of Meeting. In the event that any other matters properly come before the Meeting, the Common Shares represented by the Proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxies.

ADDITIONAL INFORMATION

Shareholders may obtain additional information in connection with the Company under the Company's profile filed on SEDAR at www.sedar.com or on the SEC's website at www.sec.gov. Alternatively, Shareholders may contact the Company (i) by mail at Suite 902, 357 Bay Street, Toronto, Ontario, M5H 2T7; (ii) by fax at 416.981.3055; (iii) by e-mail at info@xtragold.com; or (iv) by telephone at 416.366.4227.

The financial statements and Management's Discussion and Analysis for the Company's most recently completed financial year ended December 31, 2014 have been filed and are available on SEDAR and with the SEC and have also been posted on the Company's web site at www.xtragold.com under the Company's 20-F annual report.

APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

DATED at Toronto, Ontario, this 11th day of May, 2015.

**ON BEHALF OF THE BOARD OF DIRECTORS
OF XTRA-GOLD RESOURCES CORP.**

"Paul Zyla"

Paul Zyla
President and Chief Executive Officer

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Foreword

The Audit Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of Xtra-Gold Resources Corp. (the "**Company**"). The Board previously adopted a written charter (the "**Charter**") on December 15, 2009 in compliance with SEC Rules including Exchange Act Rule 10A. The Board approved the adoption of a new written charter of the Committee on September 3, 2010, as set forth below, in compliance with Multilateral Instrument 52-110 Audit Committees and Companion Policy 52-110CP to NI 52-110 and amendments thereto (collectively referred to as "**NI 52-110**").

Defined Terms

"**Charter**" means the written mandate of the Committee;

"**Committee**" means the Audit Committee;

"**Company**" means Xtra-Gold Resources Corp.;

"**Exchange Act**" means the *Securities Exchange Act of 1934*;

"**Financial Statements**" means the audited financial statements of the Company and/or the unaudited interim financial statements of the Company, as the case may be;

"**GAAP**" means generally accepted accounting principles;

"**IFRS**" means international financial reporting standards;

"**Member**" means a member of the Committee;

"**NI 52-110**" means National Instrument 52-110 - Audit Committees;

"**SEC**" means the U.S. Securities and Exchange Commission; and

"**TSX**" means the Toronto Stock Exchange.

Mandate

The primary function of the Committee shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and control responsibilities to the shareholders of the Company and the investment community as well as disclosure requirements, the overall maintenance of the systems of internal controls that management have established and the overall responsibility for the Company's external and internal audit processes.

The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company's outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Company's financial disclosures are complete, accurate, are in accordance with IFRS and GAAP and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

Membership and Composition

The Committee shall consist of three persons unless the Board should from time to time otherwise determine. Each Committee member shall be appointed annually by the Board and shall be an "independent director" within the meaning of NI 52-110. Pursuant to NI 52-110, a member will be considered "independent" if he has no direct or indirect, material relationship with the Company. In addition, the composition of the Audit Committee shall be in compliance with the rules and regulations of the Toronto Stock Exchange (the "TSX") and any other stock exchange on which the shares of the Company are listed, subject to any waivers or exceptions granted by such stock exchange.

Each member of the Committee shall be financial literate in accordance with the requirements of the TSX, including NI 52-110, SEC Rule 10A, and other regulatory agencies as required, i.e. has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member of the Committee shall have accounting or related financial management expertise to qualify as a "financial expert". A member will qualify as a "financial expert" if he or she possesses the following attributes:

1. an understanding of financial statements and generally accepted accounting principles used by the Company with respect to the preparation of its financial statements;
2. an ability to assess the general application of such principles in connection with the accounting for estimates, accruals, resources and reserves;
3. experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
4. an understanding of internal controls and procedures for financial reporting; and
5. an understanding of audit committee functions.

A “financial expert” also means that person as defined in Section 16.A of Form 20-F which is attached to this Charter as Exhibit 4.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chairman of the Committee. In his absence, the Committee may appoint another person provided a quorum is present. The Chairman will appoint a Secretary of the meeting, who need not be a member of the committee and who will maintain the minutes of the meeting.

Meetings

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, upon being provided with at least five (5) business days’ advance notice, the Chairman will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chairman, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner.

The Committee shall meet no less than four times per year or more frequently if circumstances or obligations require.

Duties and Responsibilities

The duties and responsibilities of the Committee shall be as follows:

A. FINANCIAL REPORTING AND DISCLOSURE

- (i) Review and discuss with management and the external auditor at the completion of the annual examination:
 - a. the Company’s audited Financial Statements and related notes as at December 31;
 - b. the external auditor’s audit of the Financial Statements as at December 31 and their report thereon;
 - c. any significant changes required in the external auditor’s audit plan;
 - d. any serious difficulties or disputes with management encountered during the course of the audit; and
 - e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- (ii) Review and discuss with management and the external auditor, as necessary, the Company’s interim Financial Statements.
- (iii) Review, discuss with management the annual reports, the interim reports, management’s discussion and analysis, annual information form, prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.

- (iv) Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- (v) Inquire of the auditors as to the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- (vi) Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.
- (vii) Ensure that management has the proper systems in place so that the Company's Financial Statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon its review of the Financial Statements and any related materials and any discussions with the external auditors, recommend to the Board the filing of the Financial Statements with relevant securities regulatory authorities, when appropriate.

B. EXTERNAL AUDITOR

- (i) Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- (ii) Approve the remuneration of the auditor.
- (iii) The Committee shall ascertain that the independent auditor is registered and in good standing with the Public Company Accounting Oversight Board and that the independent auditor satisfies all applicable Canadian and U.S. independence standards. The Committee shall obtain from the auditor a written statement delineating all relationships between the auditor and the Company as per ISB Standard 1 and review relationships that may impact the objectivity and independence of the auditor.
- (iv) The Committee shall obtain from the independent auditor assurance that the audit was conducted in a manner consistent with all applicable securities laws and that, in the course of conducting the audit, the independent auditor has not become aware of information indicating that an illegal act has or may have occurred or, if such an act may have occurred, that the independent auditor has taken all action required by all applicable securities laws, in particular, Section 10A(b) of the *Securities Exchange Act of 1934*.
- (v) At least annually and prior to the filing of the annual information form with and/or the 20-F Annual Report, the Committee shall review with Management and the independent auditor management's internal control report and assessment of the internal controls and procedures, and the independent auditor's report on and assessment of the internal controls and procedures.
- (v) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by support staff and/or employees of concerns regarding questionable accounting or auditing matters.

- (vii) The Committee shall discuss with Management and the independent auditor any correspondence with regulators or governmental agencies and any support staff and/or employee complaints or reports which raise material issues regarding the Company's Financial Statements or accounting policies.
- (viii) At least annually, the Committee shall meet with the Company's legal counsel and discuss any legal matters that may have a material impact on the Financial Statements or the Company's compliance policies.
- (ix) Recommend to the Board the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.
- (x) Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.
- (xi) Take reasonable steps to confirm the independence of the external auditor, which shall include:
 - a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices;
 - b. considering and discussing with the external auditor any disclosed relationships or services, including non audit services, that may impact the objectivity and independence of the external auditor, and
 - c. approving, in advance, all non audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the TSX with respect to approval of non audit related serviced performed by the auditor.

Internal Controls and Audit

- (i) Review and assess the adequacy and effectiveness of the Company's systems of internal controls and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the risks facing the Company and that the risk of a material misstatement in the financial disclosures is minimized.
- (ii) Assess the requirement for the appointment of an internal auditor for the Company.
- (iii) Inquire of management and the external auditor as to the adequacy about the systems of internal controls that management and the Board have established and the effectiveness of those systems. Engage management and the external auditor in a full discussion of financial, and other, risks faced by the Company, the materiality of these risks and their mitigation.

Investigations

- (i) The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any Officer or other person to meet with the Committee and to access all Company records.

Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's Financial Statements are complete and accurate or are in accordance with IFRS and GAAP and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

Charter Review

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

Adoption

The Charter was previously reviewed and adopted by the Board on December 15, 2009. The Charter has been updated by the Committee and was adopted by the Board on September 3, 2010.

EXHIBIT 1

AUDIT COMMITTEE MEMBER INDEPENDENCE AND FINANCIAL LITERACY REQUIREMENTS

Multilateral Instrument 52-110 Audit Committees

1.4 Meaning of Independence --

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional Independence Requirements --

- (1) Despite any determination made under section 1.4, an individual who

- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities,
is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

1.6 Meaning of Financial Literacy – For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read a set of Financial Statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's Financial Statements.

EXHIBIT 2

AUDIT COMMITTEE MEMBER INDEPENDENCE AND FINANCIAL LITERACY REQUIREMENTS

Companion Policy 52-110CP to National Instrument 52-110 Audit Committees

Part Three Independence

3.1 Meaning of Independence. The Instrument generally requires every member of an audit committee to be independent. Subsection 1.4(1) of the Instrument defines independence to mean the absence of any direct or indirect material relationship between the director and the issuer. In our view, this may include a commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationship, or any other relationship that the board considers to be material. Although shareholder alone may not interfere with the exercise of a director's independent judgment, we believe that other relationships between an issuer and a shareholder may constitute material relationships with the issuer, and should be considered by the board when determining a director's independence. However, only those relationships which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement should be considered material relationships within the meaning of section 1.4.

Subsection 1.4(3) and section 1.5 of the Instrument describe those individuals that we believe have a relationship with an issuer that would reasonably be expected to interfere with the exercise of the individual's independent judgement. Consequently, these individuals are not considered independent for the purposes of the Instrument and are therefore precluded from serving on the issuer's audit committee. Directors and their counsel should therefore consider the nature of the relationships outlined in subsection 1.4(3) and section 1.5 as guidance in applying the general independence requirements set out in subsection 1.4(1).

3.2 Derivation of Definition. In the United States, listed issuers must comply with the audit committee requirements contained in SEC rules as well as the director independence and audit committee requirements of the applicable securities exchange or market. The definition of independence included in the Instrument has therefore been derived from both the applicable SEC rules and the corporate rules issued by the New York Stock Exchange. The portion of the definition of independence that parallels the NYSE rules is found in section 1.4 of the Instrument. Section 1.5 of the Instrument contains additional rules regarding audit committee member independence that were derived from the applicable SEC rules. To be independent for the purposes of the Instrument, a director must satisfy the requirements in both sections 1.4 and 1.5.

3.3 Safe Harbour. Subsection 1.3(1) of the Instrument provides, in part, that a person or company is an affiliated entity of another entity if the person or company controls the other entity. Subsection 1.3(4), however, provides that an individual will not be considered to control an issuer if he individual:

- (a) owns, directly or indirectly, ten per cent or less of any class of voting equity securities of the issuer; and

(b) is not an executive officer of the issuer.

Subsection 1.3(4) is intended only to identify those individuals who are not considered to control an issuer. The provision is not intended to suggest that an individual who owns more than ten percent of an issuer's voting equity securities automatically controls an issuer. Instead, an individual who owns more than ten percent of an issuer's voting equity securities should examine all relevant facts and circumstances to determine if he or she controls the issuer and is therefore an affiliated entity within the meaning of subsection 1.3(1).

EXHIBIT 3

AUDIT COMMITTEE MEMBER INDEPENDENCE AND FINANCIAL LITERACY REQUIREMENTS

Exchange Act Rule 10A-3

In order to be considered independent for the purposes of Rule 10A-3, a director must meet the following independence standards.

- (i) Each member of the audit committee must be a member of the board of directors of the listed issuer, and must otherwise be independent.
- (ii) In order to be considered to be independent, a member of an audit committee may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee:
 - (A) accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that, unless the rules of the national securities exchange or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or
 - (B) be an affiliated person of the issuer or any subsidiary thereof.

The following definitions apply to the determination of independence under Rule 10A-3:

- (1) (i) The term affiliate of, or a person affiliated with, a specified person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.
- (ii) A person will be deemed not to be in control of a specified person for purposes of this section if the person:
 - (1) is not the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity securities of the specified person; and
 - (2) is not an executive officer of the specified person.
- (iii) The following will be deemed to be affiliates:
 - (A) an executive officer of an affiliate;
 - (B) a director who also is an employee of an affiliate;
 - (C) a general partner of an affiliate; and
 - (D) a managing member of an affiliate.

- (iv) For purposes of paragraph(1)(i) of this section, dual holding companies will not be deemed to be affiliates of or persons affiliated with each other by virtue of their dual holding company arrangements with each other, including where directors of one dual holding company are also directors of the other dual holding company, or where directors of one or both dual holding companies are also directors of the businesses jointly controlled, directly or indirectly, by the dual holding companies (and, in each case, receive only ordinary-course compensation for serving as a member of the board of directors, audit committee or any other board committee of the dual holding companies or any entity that is jointly controlled, directly or indirectly, by the dual holding companies).
- (2) In the case of foreign private issuers with a two-tier board system, the term board of directors means the supervisory or non-management board.
- (3) In the case of a listed issuer that is a limited partnership or limited liability company where such entity does not have a board of directors or equivalent body, the term board of directors means the board of directors of the managing general partner, managing member or equivalent body.
- (4) The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.
- (5) The term dual holding companies means two foreign private issuers that:
 - (i) are organized in different national jurisdictions;
 - (ii) collectively own and supervise the management of one or more businesses which are conducted as a single economic enterprise; and
 - (iii) do not conduct any business other than collectively owning and supervising such businesses and activities reasonably incidental thereto.
- (6) The term executive officer has the meaning set forth in § 240.3b-7.
- (7) The term foreign private issuer has the meaning set forth in § 240.3b-4(c).
- (8) The term indirect acceptance by a member of an audit committee of any consulting, advisory or other compensatory fee includes acceptance of such a fee by a spouse, a minor child or stepchild or a child or stepchild sharing a home with the member or by an entity in which such member is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary of the issuer.
- (9) The terms listed and listing refer to securities listed on a national securities exchange or listed in an automated inter-dealer quotation system of a national securities association or to issuers of such securities.

EXHIBIT 4

FORM 20-F DEFINITION OF FINANCIAL EXPERT

For purposes of this item, an audit committee financial expert means a person who has the following attributes:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the small business issuer's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal control over financial reporting; and
- (e) an understanding of audit committee functions. A person shall have acquired such attributes through:
 - (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
 - (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
 - (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
 - (iv) other relevant experience.