

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the interim unaudited condensed consolidated financial statements and results of operations ("MD&A") of Xtra-Gold Resources Corp. ("Xtra-Gold" or our "company") for the nine months ended September 30, 2023 and 2022 should be read in conjunction with the interim unaudited condensed consolidated financial statements and the related notes to the company's interim unaudited condensed consolidated financial statements. The following discussion contains forward-looking statements that reflect Xtra-Gold's plans, estimates and beliefs. Our company's actual results could differ materially from those discussed in the forward-looking statements set out herein. Factors that could cause or contribute to such differences include, but are not limited to those discussed below and as contained elsewhere in this MD&A. Our company's condensed consolidated unaudited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"). Additional information relating to our company, including our consolidated audited financial statements and the notes thereto for the years ended December 31, 2022, 2021 and 2020 and our annual report on Form 20-F, can be viewed on SEDAR at www.sedarplus.ca and on EDGAR at www.sec.gov.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include but are not limited to those discussed below and elsewhere in our 20-F annual report, particularly in the item entitled "Risk Factors" beginning on page 8 of our 20-F annual report.

Highlights for the Three-month Period Ended September 30, 2023

During the three-month period ended September 30, 2023:

- in connection with our gold recovery operations, we produced 1,065 ounces of raw gold. We sold 1,308 fine ounces of gold at an average price of US\$1,855 per ounce.
- cash on hand, excluding restricted cash, increased to \$8.4 million at September 30, 2023, from \$5.8 million at December 31, 2022.
- a total of 14 diamond core boreholes totaling 3,568 metres completed by the Company's in-house drilling crews, with drilling efforts targeting the further expansion / definition of the emerging Boomerang East gold system.
- expansion drilling successfully amalgamated the Boomerang East / Boomerang West zones into a single, stacked, multi-shoot gold system extending approximately 700 metres down-plunge.
- definition drilling further established the broad, robust nature, and down-plunge continuity of the main Lower Shoot gold mineralization.
- Victor Nkansa, the Company's CFO since 2015, died in an auto accident which was press released on August 1, 2023. William Asiedu who has been our Chief Accountant at our mine camp for 10 plus years, will replace Mr. Nkansa.

Overview

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

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

Technical Disclosure

The hardrock, lode gold exploration technical information relating to our mineral properties contained in this MD&A is based upon information prepared by or the preparation of which was supervised by Yves Clement, P.Geo., our Vice-President, Exploration. Mr. Clement is a Qualified Person as defined by Canadian Securities National Instrument 43-101 concerning standards of disclosure for mineral projects.

Plan of Operations

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

- follow-up trenching of Zone 1 - Zone 2 – Zone 3 early stage gold shoots / showings to guide future mineral resource expansion drilling efforts;
- prospecting, reconnaissance geology, hand augering and/or scout pitting, and trenching of high priority gold-in-soil anomalies and grassroots gold targets across the extent of the Apapam concession; and
- a diamond core drill program of approximately 15,000 metres, at an estimated cost of \$850,000, to be implemented utilizing the Company’s in-house operated drill rigs; consisting of a combination of follow up drilling of early stage gold targets and scout drilling of prospective litho-structural gold settings within the mineral resource footprint area; and scout drilling of new grassroots gold targets across the Apapam concession.

at our Kwabeng project:

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

at our Pameng project:

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

at our Bansa and Muoso projects:

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

As at the date of this annual report, we have estimated \$500,000 for the cost for soil sampling, hand augering and/or scout pitting, and trenching at our Kibi, Kwabeng, Pameng, Bansa and Muoso projects.

As part of our current business strategy, we plan to continue engaging technical personnel under contract where possible as our management believes that this strategy, at its current level of development, provides the best services available in the circumstances, leads to lower overall costs and provides the best flexibility for our business operations. For example, the purchase of an exploration drill as opposed to using contract drillers has generated significant savings to the company.

We anticipate that our ongoing efforts will continue to be focused on the exploration and development of our projects and completing acquisitions in strategic areas. We will look to acquire further interests in gold mineralized projects that fall within the criteria of providing a geological basis for development of drilling initiatives that can enhance shareholder value by demonstrating the potential to define reserves.

We continued with our recovery of placer gold operations at our Kwabeng Bansa and Muoso properties in 2022. We contract out as many services as possible on our placer gold recovery operations to local Ghanaians in order to maximize cost efficiencies.

Our fiscal 2023 budget to carry out our plan of operations is approximately \$2,350,000 as follows and as disclosed in our 20-F annual report under Item 4.B – Information on Xtra-Gold – Business Overview:

Soil sampling / trenching	\$ 500,000
Drilling	850,000

Administration	750,000
Stock-based compensation (non-cash)	250,000
TOTAL	\$ 2,350,000

These expenditures are subject to change if management decides to scale back or accelerate operations.

Our company has historically relied on funds from gold recovery from alluvial operations, equity and debt financings to finance its ongoing operations. Existing working capital, possible debt instruments, further private placements and anticipated cash flow from placer gold recovery operations are expected to be adequate to fund our company's operations over the next year. During the current year and subsequent to 2023, we will not require additional capital to implement our plan of operations.

Trends

Gold prices closed at \$1,871 per ounce at September 30, 2023, slightly below the 2023 nine-month average of \$1,932 per ounce. Gold prices continue to show resilience in 2023, in part due to continued global inflation and geopolitical concerns.

Gold prices closed in 2022 at \$1,814 per ounce, just above the 2022 average of \$1,801 per ounce. Gold prices were strong early in 2022, and fell throughout the year, recording the low for 2022 occurred in November. We saw some price recovery in December and to date in 2023. We continue to see positive indicators for gold prices in the future.

Interest rate increases throughout 2022 strengthened the US dollar as a safe haven, with the value of the US dollar reaching a 20-year peak in September 2022. With the Federal Reserve acknowledging that the disinflation process has commenced, most of the tightening cycle is believed to be completed. As a result, the comparative strength of the US dollar is expected to be reduced in 2023.

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

Gold prices per ounce over the period ended September 30, 2023 and previous two years are as follows:

	<u>9 Months</u> <u>2023</u>	<u>2022</u>	<u>2021</u>
High	\$ 2,048	\$ 2,039	\$ 1,943
Low	1,811	1,629	1,684
Average	1,931	1,801	1,800

The tone for the precious metals market in the near future will depend on the U.S. dollar strength. The US Federal Reserve has raised interest rates to combat inflation, and has indicated that the pace of rate increases could slow going forward. The future focus will be on how much economic growth, government deficits and debts affect the ability of the Federal Reserve to increase future rates or shrink its balance sheet. Any further economic wobble or extension of the time to address the underlying issues could create uncertainty about the US economy, which would be good for gold prices.

Overall, a stronger U.S. dollar may lead to reduced interest in the gold exploration sector.

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

Summary of the last five fiscal years ending December 31

	2022	2021	2020	2019	2018
	\$	\$	\$	\$	\$
Operating revenues	Nil	Nil	Nil	Nil	Nil
Consolidated pre tax income for the year	1,564,849	2,045,713	2,297,023	2,388,347	1,539,294

Net gain attributable to non-controlling interest	(133,082)	(121,545)	(141,782)	(140,390)	(233,111)
Income tax	(800,000)	(1,088,192)	(294,992)	Nil	Nil
Net gain (loss) Xtra-Gold Resources Corp.	764,849	957,521	1,860,249	2,247,957	1,306,183
Basic and diluted income (loss) attributable to common shareholders per common share	0.01	0.02	0.04	0.05	0.03
Total current assets	10,178,896	9,127,160	7,739,823	5,438,858	3,258,955
Total assets	11,881,013	10,758,031	9,340,942	6,875,325	4,790,576
Total current liabilities	1,406,679	1,122,483	426,819	443,540	624,205
Total liabilities	1,406,679	1,122,483	426,819	443,540	624,205
Working capital	8,772,217	8,004,677	7,313,004	4,995,317	2,634,750
Capital stock	46,447	46,688	46,817	45,844	46,246
Total equity	10,474,334	9,635,548	8,914,123	6,431,785	4,166,371
Total Xtra-Gold Resources Corp. stockholders' equity	10,532,448	9,826,744	9,226,864	6,886,308	4,761,284
Dividends declared per share	Nil	Nil	Nil	Nil	Nil
Basic weighted average number of common shares outstanding	46,542,900	46,779,574	46,645,387	46,095,232	47,089,027
Basic and diluted weighted average number of common shares outstanding	48,822,024	48,925,574	49,033,887	49,589,430	49,405,027

Summary of Quarterly Results

Three Months Ended	Net Income (Loss) \$	Basic and Diluted Income (Loss) Per Share \$
September 30, 2023	\$ 513,633	\$ 0.01
June 30, 2023	705,064	0.02
March 31, 2022	553,197	0.01
December 31, 2022	(164,659)	(0.00)
September 30, 2022	(70,252)	(0.00)
June 30, 2022	(55,360)	(0.00)
March 31, 2022	922,038	0.02
December 31, 2021	(739,525)	(0.01)
September 30, 2021	(664,900)	(0.01)

Results of Operations for the Three Months Ended September 30, 2023 as Compared to the Three Months Ended September 30, 2022

Our company reported a net gain after tax for the three months ended September 30, 2023 of \$513,633 (September 30, 2022 – loss of \$70,252). Our company's basic and diluted gain per share for the three months ended September 30, 2023 was \$0.01 (September 30, 2022 - \$(0.00)). While both quarters benefited from gold recovery results, foreign exchange losses were significantly different in the comparable periods.

The weighted average number of shares outstanding was 46,334,336 (Q3 2022 – 46,661,478). Average shares outstanding were reduced through share repurchases. Average fully diluted shares in Q3 2023 were 48,928,836 (Q3 2022 – 48,682,478), with the increase as compared to basic shares being in the money stock options in both periods. These items did not materially affect earnings per share.

We incurred expenses of \$266,079 in the three-month period ended September 30, 2023 (September 30, 2022 - \$94,622). Exploration expense was \$133,302 as compared to a recovery of \$96,300 in Q3 2022. The 2022 quarter benefited from moving some 2022 expenses previously reported in exploration into gold sales expenses. We expense all exploration costs, which included significant supplies in Q3 2022. All other expense categories were very similar in the two periods. Depreciation in Q3 2023 was similar to that in Q3 2022. General and administrative expense in Q3 2023 of \$99,692 decreased slightly from \$153,934 in Q3 2022 due to stock-based compensation in the Q3 2022 period.

Exploration activities for the September 2023 quarter continued to focus on the Company's flagship Kibi Gold Project (Apapam Mining Lease) with the continuation of the Zone 3 resource expansion target generation drill program. Fourteen (14) diamond core boreholes totalling 3,568 metres ("m") were completed by the Company's in-house drill crews with drilling efforts primarily targeting the further expansion / definition of the emerging Boomerang East gold system.

The present Boomerang East drilling activities form part of an exploration initiative targeting multiple resource expansion opportunities within the south-western (Zone 3) portion of the gold mineralization-hosting 1st-order F2 synclorium fold structure; over 1 km beyond the limits of the currently defined Mineral Resource Estimate (the "2021 MRE", see the Company's news release of November 1, 2021). Drill results for a total of 120 holes (22,860.5 m) have been reported to date for the ongoing Zone 3 resource expansion drill program initiated following the database close-out date for the current 2021 MRE.

The assay results for 30 boreholes (7,309 m) completed from early December 2022 to late July 2023 on the ongoing Zone 3 resource expansion drilling program, including 3 holes completed during the September 2023 quarter (#KBDD23526 - #KBDD23528), were reported by the Company on September 8, 2023, including the following highlights:

Expansion Drilling (Boomerang East SW Strike-Extension – Boomerang West Down-Plunge)

- 9.0 m at 5.27 grams per tonne gold ("g/t Au"), including 4.5 m at 8.98 g/t Au, from 65.5 m; and 15.4 m at 1.59 g/t Au, including 7.5 m at 2.01 g/t Au, from 120.0 m KBDD23524
- 22.0 m at 1.17 g/t Au, including 15.7 m at 1.50 g/t Au, from 194.0 m in KBDD23522

Definition Drilling (Main "Lower Shoot" Gold Zone – Boomerang East)

- 51.0 m at 1.31 g/t Au, including 16.5 m at 3.09 g/t Au, from 127.0 m in KBDD23528
- 53.0 m at 1.06 g/t Au, including 30.0 m at 1.60 g/t Au, from 31.0 m in KBDD23527
- 33.0 m at 1.17 g/t Au, including 19.0 m at 1.76 g/t Au, from 7.0 m in KBDD23519

Expansion Drilling (Boomerang East - SE Lateral / Down-Dip Extension)

- 9.0 m at 1.00 g/t Au from 40.0 m; and 33.0 m at 0.50 g/t Au from 184.0 m; and 29.0 m at 0.35 g/t Au from 304.0 m; and 6.0 m at 1.67 g/t Au from 357.0 m in KBDD22504
- 9.1 m at 0.75 g/t Au from 77.0; and 10.5 m at 0.71 g/t Au from 129.0; and 41.0 m at 0.72 g/t Au from 294.0 in KBDD22505
- 47.0 m at 0.51 g/t Au from 210.0 m in KBDD23523

Present 3D litho-structural modelling appears to indicate that the Boomerang East gold system occupies a F2 meso-scale (parasitic) fold hinge structure developed on the north-western limb of the mineralization-controlling 1st-order F2 synclorium fold. With the mineralization occurring as a NE-plunging system of stacked, flat-lying to concave-shaped, shallow SE-dipping gold shoots hosted within folded / strained diorite bodies and/or associated metasedimentary rock – diorite contacts. Drilling to date has outlined three (3) principal gold shoots, including the Upper Shoot (s), the Lower Shoot, and the Footwall Shoot, across an approximately 250 m cross-plunge distance. The Lower Shoot, presently the most prominent mineralization shoot of the Boomerang East gold system, has so far been delineated from practically surface to a down-plunge depth of approximately 425 m along the fold hinge structure (approximately 315 m vertical depth from surface), and across an approximately 200 m NW-SE lateral distance. The present expansion drilling results from the south-western extension of the Boomerang East gold system successfully amalgamated the Boomerang East and Boomerang

West resource expansion targets into a single, major, multi-shoot gold system extending over approximately 600 m strike and 700 m down-plunge distances, respectively.

We did not conduct any exploration activities on our Kwabeng, Pameng, Banso and Muoso projects during the current reporting period. We recognized gains related to other items of \$1,049,668 in Q3 2023 (Q3 2022 - \$289,282). Gold sales contributed most of the gains in both periods. However, the gains in both periods were partly offset by losses on our investment portfolio. The company recognized a foreign exchange gain in Q3 2023 as compared to a loss in Q3 2022. During the three-month period ended September 30, 2023, we sold 1,308 fine ounces of gold at an average price of US\$1,810 for net proceeds of \$1,050,434 (Q3 2022 – 1,161 fine ounces of gold at an average price of US\$1,768 for net proceeds of \$1,019,886). Gold sales relating to our share of gold is not recognized until the risks and rewards of ownership passed to the buyer. These placer gold recovery operations were contracted to local Ghanaian groups. We pay a 5% government royalty on our gold sales. Using local contractors promotes the local economy while avoiding illegal workings on our projects.

During the three-month period ended September 30, 2023, our company had a foreign exchange gain of \$123,945 (Q3 2022 – loss of \$475,488) mostly due to fluctuations in the U.S. dollar against the Ghana cedi and the Canadian dollar. The company holds a substantial amount of its investment portfolio in Canadian dollars and this portfolio value fluctuates with the US dollar fluctuations. In Ghana, the cedi continued to show weakness in the 2023 period but held steady in Q3.

Our company recognized a trading and holding loss on marketable securities in Q3 2023 of \$218,404 (Q3 2022 - loss of \$298,739). Portfolio results in Q3 2023 showed resilience as compared to Q3 2022. Unrealized gains and losses reflect mark-to-market changes in the investment portfolio during a period. A realized gain is recognized when securities are sold from the investment portfolio, being the difference between the selling price and the purchase price of the security sold. At the time of the sale, any mark-to-market gain or loss which is related to the security sold, previously recognized in unrealized gains and losses, is reversed.

Other income of \$93,693 in Q3 2023 (Q3 2022 - \$43,623) mostly relates to interest and dividends on investment portfolio assets.

Results of Operations for the Nine Months Ended September 30, 2023 as Compared to the Nine Months Ended September 30, 2022

Our company's net gain for the nine months ended September 30, 2023 was \$1,771,894 as compared to a net gain of \$796,426 for the nine months ended September 30, 2022, an increase of \$975,468. Improved foreign exchange gains and decreased exploration generated most of the improved profit in the YTD 2023.

Our company's basic and diluted net gain per share for the nine months ended September 30, 2023 was \$0.04 compared to a net gain of \$0.02 per share for the nine months ended September 30, 2022. The weighted average number of shares outstanding was 46,398,474 at September 30, 2023 compared to 46,568,638 for the nine months ended September 30, 2022. The decrease in the weighted average number of shares outstanding can be attributed to the share repurchases in 2023. The fully diluted weighted average number of shares outstanding was 49,046,974 at September 30, 2023 compared to 48,589,638 for the nine months ended September 30, 2022. The fully diluted share positions did not materially affect the earning per share in either period.

We incurred expenses of \$1,101,132 in the nine months ended September 30, 2023 as compared to \$1,244,388 in the nine months ended September 30, 2022, a reduction of \$143,256. Exploration expense in 2022 reflects consulting help to compile and interpret information and replacement parts for the drill.

We reported a gain of \$3,759,623 related to other items for the nine months ended September 30, 2023 compared to a gain of \$2,818,316 for the nine months ended September 30, 2022. Foreign exchange gains created most of the change in income.

During the nine months ended September 30, 2023, we sold 3,978 ounces of fine gold from our gold recovery operations compared to 3,778 ounces of fine gold from our share of the placer gold operations received during the nine months ended September 30, 2022.

Recent Capital Raising Transactions

Our activities, principally the exploration and acquisition of properties for gold and other metals, may be financed through joint ventures or through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants.

There were no capital raising transactions in 2023 or 2022.

Liquidity and Capital Resources

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

Cash on hand was increased by \$2,663,182 during the first nine months of 2023. Operations provided all of the increase in cash. Cash of \$1,432,114 was used to purchase investments in the first nine months of 2023 while proceeds from the sale of investments generated \$1,301,373 of cash. Inventory was reduced by \$564,209 due to the timing of smelt shipments. Payables were increased, mostly due to accruals and payments for gold sales and income taxes payable in Ghana related to operations. Other operating expenses were mostly cash neutral.

At September 30, 2023, accounts payable and accrued liabilities increased by \$118,087 to \$1,425,252, mostly due to income tax accruals and sales-based accruals for expenses related to gold sales. Our cash and cash equivalents as at September 30, 2023 were sufficient to pay these liabilities. We believe that our company has sufficient working capital to achieve our 2023 operating plan. However, our historical losses raise substantial doubt about our ability to continue as a going concern.

At September 30, 2023, we had total cash and cash equivalents and restricted cash of \$8,444,182 (December 31, 2022 - \$6,077,322). Working capital as of September 30, 2023 was \$10,817,840 (December 31, 2022 - \$8,772,217). The 2023 increase in working capital mostly reflects the revenue from gold recovery.

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

Our shares of common stock, warrants and stock options outstanding as at the date of this MDA, September 30, 2023, and December 31, 2022 were as follows:

	October 31, 2023	September 30, 2023	December 31, 2022
Common Shares	46,282,717	46,297,717	46,446,917
Warrants	—	—	—
Stock Options	2,586,000	2,586,000	2,586,000
Fully diluted	48,868,717	48,883,717	49,032,917

Subsequent to September 30, 2023, 15,000 shares were cancelled.

As of the date of this MD&A, the exercise of all outstanding options would raise approximately \$0.7 million, however such exercise is not anticipated until the market value of our shares of common stock increases in value.

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

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

Our fiscal 2023 budget to carry out our plan of operations is approximately \$2,350,000 as disclosed in our Plan of Operations section above and in our 20-F annual report under Item 4.B – Information on Xtra-Gold – Business Overview”. These expenditures are subject to change if management decides to scale back or accelerate operations. We believe that we are adequately capitalized to achieve our operating plan for fiscal 2023. However, our losses raise substantial doubt about our ability to continue as a going concern.

Going Concern

The Company is in development as an exploration company. It may need financing for its exploration and acquisition activities. Although the Company has incurred a gain of \$1,771,894 for the nine-month period ended September 30, 2023, it has accumulated a deficit of \$19,573,504. Results for the period ended September 30, 2023 are not necessarily indicative of future results. The uncertainty of gold recovery and the fact the Company does not have a demonstrably viable business to provide future funds, raises substantial doubt about its ability to continue as a going concern for one year from the issuance of the financial statements. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and implement its business plan, which is typical for junior exploration companies. The financial statements do not include any adjustments related to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management of the Company ("Management") is of the opinion that sufficient financing will be obtained from external sources and further share issuances will be made to meet the Company's obligations. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly if required.

Related Party Transactions

During the nine-month periods ended September 30, 2023 and 2022, the Company entered into the following transactions with related parties:

	September 30, 2023	September 30, 20232
Consulting fees paid or accrued to officers or their companies	\$860,740	\$961,393
Directors' fees	1,672	1,755
Stock option grants to officers and directors	62,500	67,203
Stock option grant price range	CAD\$ 0.92	—

Of the total consulting fees noted above, \$720,442 (September 30, 2022 - \$691,435) was incurred by the Company to a private company of which a related party is a 50% shareholder and director. The related party was entitled to receive \$152,415 (September 30, 2022 - \$345,717) of this amount. As at September 30, 2023, a balance of \$209,720 (December 31, 2022 - a balance of \$181,973) exists to this related company and \$Nil remains payable (December 31, 2022 - \$Nil) to the related party for expenses earned for work on behalf of the Company. The CEO of the company made a \$50,000 payment on behalf of the company in 2021. This balance was repaid in 2022.

During the nine-month period ended September 30, 2023, the Company granted 62,500 options to insiders at a price of \$0.68 (CAD\$0.92). A total of \$31,782 was included in consulting fees related to these options. During 2022, the Company granted 350,000 options to insiders at a price of \$0.60 (CAD\$0.81). A total of \$120,563 was included in consulting fees related to these options. On July 1, 2022, the original terms of existing options were extended. The Company recognized an expense of \$77,092 related to the extension of the option terms to maturity related to insiders.

Material Commitments

Mineral Property Commitments

Our company is committed to expend, from time to time fees payable:

- to the Minerals Commission of Ghana for:
 - (a) to the Minerals Commission for:

- (i) a new grant or renewal of an expiry date of a prospecting license (currently an annual fee maximum of \$70.00 per cadastral unit/or 21.24 hectare);
- (ii) a new grant or renewal of a mining lease (currently an annual fee maximum of \$1,000.00 per cadastral units/or 21.24 hectare); and
- (iii) annual operating permits;

(b) to the Environmental Protection Agency (“EPA”) (of Ghana) for:

- i) processing and certificate fees with respect to EPA permits;
- ii) the issuance of permits before the commencement of any work at a particular concession; or
- iii) the posting of a bond in connection with any mining operations undertaken by the Company;

(c) for a legal obligation associated with our mineral properties for clean up costs when work programs are completed.

Purchase of Significant Equipment

We consider the availability of equipment to conduct our exploration activities. In 2022 we purchased one pickup. In 2021 we purchased three pickups. In 2020 we purchased a second drill, a dozer, some pickups and a generator. While we do not expect we will be buying any additional equipment in the foreseeable future, we will continue to assess the situation and weigh our program needs against equipment availability.

Off Balance Sheet Arrangements

Our company has no off balance sheet arrangements.

Fair value of financial assets and liabilities

We invest all excess cash primarily in time deposits, money market funds, corporate debt securities, equities, limited partnerships, and rights and warrants.

We classify all marketable debt securities that have stated maturities of three months or less from the date of purchase as cash equivalents and those with stated maturities of greater than three months as marketable securities on our Consolidated Balance Sheets.

We determine the appropriate classification of our investments in marketable debt securities at the time of purchase and re-evaluate such designation at each balance sheet date. We have classified and accounted for our marketable debt securities as trading securities. After consideration of our risk versus reward objectives, as well as our liquidity requirements, we may sell these debt securities prior to their stated maturities. For all of our marketable debt securities we have elected the fair value option, for which changes in fair value are recorded in other income (expense), net. We determine any realized gains or losses on the sale of marketable debt securities on a specific identification method, and we record such gains and losses as a component of other income (expense), net.

The following tables summarize our debt securities, at their fair value, by significant investment categories as of September 30, 2023 and December 31, 2022:

Level 1 – Cash equivalents	September 30, 2023	December 31, 2022
Money market funds	\$ 6,828,737	\$ 5,559,705
	<u>\$ 6,828,737</u>	<u>\$ 5,559,705</u>

	September 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 8,444,182	\$ 8,444,182	\$ —	\$ —
Restricted cash	296,322	296,322	—	—

Marketable securities		3,546,138		3,546,138		—		—
Total	\$	12,286,642	\$	12,286,642	\$	—	\$	—

	December 31, 2022		Quoted Prices in Active Markets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
Cash and cash equivalents	\$	5,781,000	\$	5,781,000	\$	—	\$	—
Restricted cash		296,322		296,322		—		—
Marketable securities		3,497,166		3,497,166		—		—
Total	\$	9,574,488	\$	9,574,488	\$	—	\$	—

Critical Accounting Estimates and Changes in Accounting Policies

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of estimates include the carrying value and recoverability of mineral properties, inputs used in the calculation of stock-based compensation and warrants, inputs used in the calculation of the asset retirement obligation, and the valuation allowance applied to deferred income taxes. Actual results could differ from those estimates, and would impact future results of operations and cash flows.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or our company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-Looking Statements	Assumptions	Risk Factors
Potential of Xtra-Gold’s properties to contain economic gold deposits and other mineral deposits and/or to become near-term and/or low-cost producers	<p>Availability of financing for our projects.</p> <p>Actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Operating, exploration and development costs will be consistent with our expectations.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p>

Forward-Looking Statements	Assumptions	Risk Factors
	<p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to Xtra-Gold, including development of any deposit in compliance with Ghanaian mining law.</p> <p>Social engagement and local acceptance of our projects.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Variations from the technical reports.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p> <p>Price volatility of gold and other associated commodities impacting the economics of our projects.</p>
<p>Potential to expand the NI 43-101 resources on Xtra-Gold's existing projects and achieve its growth targets</p>	<p>Availability of financing.</p> <p>Actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>NI 43-101 technical reports are correct and comprehensive.</p> <p>Operating, exploration and development costs will be consistent with our expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to Xtra-Gold.</p> <p>Social engagement and local acceptance of our projects.</p> <p>Economic, political and industry market conditions will be favourable.</p> <p>Continuance of gold recovery operations.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Variations from the technical reports.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation, community support and the political and economic climate.</p> <p>Price volatility of gold and other associated commodities impacting the economics of our projects.</p> <p>Continued cooperation of government bodies to conduct placer operations.</p>
<p>Ability to meet working capital needs for fiscal 2022</p>	<p>Operating and exploration activities and associated costs will be consistent with our current expectations.</p> <p>Capital markets and financing opportunities are favourable to Xtra-Gold.</p> <p>Sale of any investments, if warranted, on acceptable terms.</p> <p>Xtra-Gold continues as a going concern.</p>	<p>Changes in the capital markets impacting availability and timing of future financings on acceptable terms.</p> <p>Increases in costs, environmental compliance and changes in environmental, other local legislation and regulation.</p> <p>Adjustments to currently proposed operating and exploration activities.</p> <p>Price volatility of gold and other commodities impacting sentiment for investment in the resource markets.</p>

Forward-Looking Statements	Assumptions	Risk Factors
<p>Plans, costs, timing and capital for future exploration and development of Xtra-Gold’s properties including the potential impact of complying with existing and proposed laws and regulations</p>	<p>Availability of financing for our exploration and development activities.</p> <p>Actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Operating, exploration and development costs will be consistent with our expectations.</p> <p>Ability to retain and attract skilled staff.</p> <p>All requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to Xtra-Gold.</p> <p>Economic, political and industry market conditions will be favourable.</p>	<p>Changes in the capital markets impacting availability of future financings.</p> <p>Uncertainties involved in interpreting geological data and confirming title to acquired properties.</p> <p>Possibility of future exploration results, metallurgical test work and economic studies will not be consistent with our expectations.</p> <p>Increases in costs, environmental compliance and changes in environmental, local legislation and regulation and political and economic climate.</p> <p>Price volatility of gold and other commodities impacting the economics of our projects.</p>
<p>Management’s outlook regarding future trends</p>	<p>Availability of financing.</p> <p>Actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will be favourable.</p> <p>Prices for gold and other commodities will be favourable to Xtra-Gold.</p> <p>Government regulation in Ghana will support development of any deposit.</p>	<p>Price volatility of gold and other commodities impacting the economics of our projects and appetite for investing in junior gold exploration equities.</p> <p>Possibility of future exploration results, metallurgical test work, economic studies and development activities will not be consistent with our expectations.</p> <p>Increases in costs, environmental compliance and changes in economic, political and industry market climate.</p>
<p>Covid-19</p>	<p>Actual results of our exploration, gold recovery and continuity of operations.</p>	<p>The first cases of Covid-19 were detected much later in Ghana than other parts of the world, and Government action has limited the incidence of transmission. The Company continues to monitor the potential effects on its operations and is implementing protocol to hopefully help in minimize its impact. However, investors are cautioned this is an evolving issue, and that there is not guarantee the Company’s protocols will be effective.</p> <p>Increased costs and reduced ability to access the properties could affect exploration results and gold recovery results.</p>

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Xtra-Gold’s ability to predict or control. Please also make reference to those risk factors listed in the “Risk Factors” section above. Readers are cautioned that the above chart is not exhaustive of the factors that may affect the forward-looking statements, and that the underlying assumptions may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Xtra-Gold's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. Our company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If our company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Dated: October 31, 2023