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

FORM 10-Q

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

For the quarterly period ended March 31, 2012

OR

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

For the transition period from ________________ to ________________

Commission File No. 333-139037

Xtra-Gold Resources Corp.

(Exact name of registrant as specified in its charter)

NEVADA	**91-1956240**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

360 BAY STREET – SUITE 301
TORONTO, ONTARIO – M5H 2V6 – CANADA
(Address of principal executive offices)

416 366-4227
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to the filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-accelerated filer ☐	Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): ☐ Yes ☑ No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding as at May 14, 2012
Common stock - $0.001 par value	44,679,217

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PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

XTRA-GOLD RESOURCES CORP.
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. Dollars)
(unaudited)
AS AT

	March 31, 2012 (unaudited)	December 31, 2011
ASSETS		
Current		
Cash and cash equivalents	$ 3,145,979	$ 4,498,753
Investment in trading securities, at fair value (cost of $1,844,646 (December 31, 2011 - $1,870,648)) (Note 4)	2,783,027	2,531,644
Due from related party (Note 9)	2,005	213,872
Receivables and other assets	122,000	130,637
Total current assets	6,053,011	7,374,906
Restricted cash (Note 7)	220,961	220,961
Equipment (Note 5)	1,317,701	1,370,027
Mineral properties (Note 6)	857,422	857,422
TOTAL ASSETS	$ 8,449,095	$ 9,823,316
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 1,072,360	$ 745,860
Total current liabilities	1,072,360	745,860
Asset retirement obligation (Note 7)	175,395	171,395
Total liabilities	1,247,755	917,255
Stockholders' equity		
Capital stock (Note 8)		
Authorized		
250,000,000 common shares with a par value of $0.001		
Issued and outstanding		
44,679,217 common shares (December 31, 2011 – 44,569,217 common shares)	44,679	44,569
Additional paid in capital	28,592,452	28,441,909
Deficit	(1,427,764)	(1,427,764)
Deficit accumulated during the exploration stage	(19,298,005)	(17,646,122)
Total Xtra-Gold Resources Corp. stockholders' equity	7,911,362	9,412,592
Non-controlling interest	(710,022)	(506,531)
Total stockholders' equity	7,201,340	8,906,061
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 8,449,095	$ 9,823,316

History and organization of the Company (Note 1)
Continuance of operations (Note 2)
Contingency and commitments (Note 12)

APPROVED ON BEHALF OF THE BOARD

"Paul Zyla"
Director

"Richard W. Grayston"
Director

The accompanying notes are an integral part of these consolidated financial statements.

XTRA-GOLD RESOURCES CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)
(unaudited)

	Cumulative amounts from the beginning of the exploration stage on January 1, 2003 to March 31, 2012	3 Month Period Ended March 31, 2012	3 Month Period Ended March 31, 2011
EXPENSES			
Amortization	$ 637,169	$ 52,326	$ 30,402
Exploration	23,697,281	2,194,301	1,568,978
General and administrative	7,802,954	193,944	255,345
Options receipts in excess of property value	(450,000)	(135,000)	—
Write-off of mineral property	26,000	—	—
LOSS BEFORE OTHER ITEMS	(31,713,404)	(2,305,571)	(1,854,725)
OTHER ITEMS			
Foreign exchange gain	642,735	76,055	107,247
Interest expense	(241,936)	—	—
Realized gains on sales of trading securities	290,047	35,728	—
Net unrealized gain (loss) on trading securities	283,868	236,658	(19,509)
Other income	941,929	31,199	11,350
Recovery of gold	9,457,246	70,557	1,021,775
Gain on disposal of property or equipment	356,488	—	260,058
Write-off of investment in trading securities	(25,000)	—	—
	11,705,377	450,197	1,380,921
Net loss for the period	(20,008,027)	(1,855,374)	(473,804)
Net loss attributable to non-controlling interest	710,022	203,491	42,342
Net loss attributable to Xtra-Gold Resources Corp. common stockholders	$ (19,298,005)	$ (1,651,883)	$ (431,462)
Basic and diluted loss attributable to common stockholders per common share		$ (0.04)	$ (0.01)
Basic and diluted weighted average number of common shares outstanding		44,647,788	42,964,831

The accompanying notes are an integral part of these consolidated financial statements.

XTRA-GOLD RESOURCES CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
(unaudited)

	Cumulative amounts from the beginning of the exploration stage on January 1, 2003 to March 31, 2012	3 Month Period Ended March 31, 2012	3 Month Period Ended March 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period	$ (20,008,027)	$ (1,855,374)	$ (473,804)
Items not affecting cash:			
Amortization	637,169	52,326	30,402
Amortization of deferred financing costs	46,202	—	—
Accretion of asset retirement obligation	44,262	4,000	4,000
Shares issued for services	202,365	—	—
Stock-based compensation	1,880,581	40,653	21,311
Options receipts in excess of property value	(450,000)	(135,000)	
Unrealized foreign exchange gain	(442,683)	(40,727)	(3,561)
Realized gain on sale of trading securities	(290,047)	(35,728)	—
Purchase of trading securities	(13,411,043)	(83,157)	—
Proceeds on sale of trading securities	12,302,142	144,886	—
Unrealized loss (gain) loss on trading securities	(283,868)	(236,658)	19,509
Gain on disposal of property or equipment	(356,488)	—	(260,058)
Write-off of mineral property	26,000	—	—
Expenses paid by stockholders	2,700	—	—
Write-off of investment in trading securities	25,000	—	—
Changes in non-cash working capital items:			
Decrease (increase) in receivables and other	(115,630)	220,504	(242,757)
Increase in accounts payable and accrued liabilities	1,061,668	326,501	23,621
Increase in due to related party	50,000	—	—
Net cash used in operating activities	(19,079,697)	(1,597,774)	(881,337)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of convertible debentures	900,000	—	—
Deferred financing costs	(46,202)	—	—
Repurchase of capital stock	(165,000)	—	—
Issuance of capital stock, net of financing costs	22,719,711	110,000	37,500
Net cash provided by financing activities	23,408,509	110,000	37,500

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The accompanying notes are an integral part of these consolidated financial statements.

XTRA-GOLD RESOURCES CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
(unaudited)

	Cumulative amounts from the beginning of the exploration stage on January 1, 2003 to March 31, 2012	3 Month Period Ended March 31, 2012	3 Month Period Ended March 31, 2011
Continued ...			
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of equipment	(1,835,129)	—	(255,523)
Deposit on equipment	(151,506)	—	—
Restricted cash	(220,961)	—	(961)
Oil and gas property expenditures	(250,137)	—	—
Acquisition of cash on purchase of subsidiary	11,510	—	—
Acquisition of subsidiary	(25,000)	—	—
Option payment received	660,000	135,000	—
Proceeds on disposal of assets	628,390	—	288,000
Net cash provided by (used in) investing activities	(1,182,833)	135,000	31,516
Change in cash and cash equivalents during the period	3,145,979	(1,352,774)	(812,321)
Cash and cash equivalents, beginning of the period	—	4,498,753	10,096,122
Cash and cash equivalents, end of the period	$ 3,145,979	$ 3,145,979	$ 9,283,801

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these consolidated financial statements.

XTRA-GOLD RESOURCES CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)

	Common Stock					Deficit	
	Number of Shares	Amount	Additional Paid in Capital	Deficit	Non-Controlling Interest	Accumulated During the Exploration Stage	Total
Balance, December 31, 2010	42,961,179	$ 42,961	$ 26,089,803	$ (1,427,764)	$ (36,361)	$ (12,321,365)	$ 12,347,274
Conversion of warrants at $1.50 per share	768,874	769	1,152,542	—	—	—	1,153,311
Conversion of warrants at $1.00 per share	839,164	839	838,325	—	—	—	839,164
Stock-based compensation	—	—	361,239	—	—	—	361,239
Loss for the year	—	—	—	—	(470,170)	(5,324,757)	(5,794,927)
Balance, December 31, 2011	44,569,217	$ 44,569	$ 28,441,909	$ (1,427,764)	$ (506,531)	$ (17,646,122)	$ 8,906,061

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The accompanying notes are an integral part of these consolidated financial statements.

XTRA-GOLD RESOURCES CORP.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Expressed in U.S. Dollars)
(unaudited)

	Common Stock						
	Number of Shares	Amount	Additional Paid in Capital	Deficit	Non-Controlling Interest	Deficit Accumulated During the Exploration Stage	Total
Balance, December 31, 2011	44,569,217	$ 44,569	$ 28,441,909	$ (1,427,764)	$ (506,531)	$ (17,646,122)	$ 8,906,061
January, 2012 – Exercise of options at $1.00 per share	110,000	110	109,890	—	—	—	110,000
Stock-based compensation	—	—	40,653	—	—	—	40,653
Loss for the period	—	—	—	—	(203,491)	(1,651,883)	(1,855,374)
Balance, March 31, 2012	44,679,217	$ 44,679	$ 28,592,452	$ (1,427,764)	$ (710,022)	$ (19,298,005)	$ 7,201,340

The accompanying notes are an integral part of these consolidated financial statements.

1. HISTORY AND ORGANIZATION OF THE COMPANY

Silverwing Systems Corporation (the "Company"), a Nevada corporation, was incorporated on September 1, 1998. On June 23, 1999, the Company completed the acquisition of Advertain On-Line Canada Inc. ("Advertain Canada"), a Canadian company operating in Vancouver, British Columbia, Canada. The Company changed its name to Advertain On-Line Inc. ("Advertain") on August 19, 1999. Advertain Canada's business was the operation of a website, "Advertain.com", whose primary purpose was to distribute entertainment advertising on the Internet.

In May 2001, the Company, being unable to continue its funding of Advertain Canada's operations, decided to abandon its interest in Advertain Canada. On June 15, 2001, the Company sold its investment in Advertain Canada back to Advertain Canada's original shareholder. On June 18, 2001, the Company changed its name from Advertain to RetinaPharma International, Inc. ("RetinaPharma") and became inactive.

In 2003, the Company became a resource exploration company. On October 31, 2003, the Company acquired 100% of the issued and outstanding common stock of Xtra-Gold Resources, Inc. ("XGRI"). XGRI was incorporated in Florida on October 24, 2003. On December 19, 2003, the Company changed its name from RetinaPharma to Xtra-Gold Resources Corp.

In 2004, the Company acquired 100% of the issued and outstanding capital stock of Canadiana Gold Resources Limited ("Canadiana") and 90% of the issued and outstanding capital stock of Goldenrae Mining Company Limited ("Goldenrae"). Both companies are incorporated in Ghana and the remaining 10% of the issued and outstanding capital stock of Goldenrae is held by the Government of Ghana.

On October 20, 2005, XGRI changed its name to Xtra Energy Corp. ("Xtra Energy").

On October 20, 2005, the Company incorporated Xtra Oil & Gas Ltd. ("XOG") in Alberta, Canada.

On December 21, 2005, Canadiana changed its name to Xtra-Gold Exploration Limited ("XG Exploration").

On January 13, 2006, Goldenrae changed its name to Xtra-Gold Mining Limited ("XG Mining").

On March 2, 2006, the Company incorporated Xtra Oil & Gas (Ghana) Limited ("XOGG") in Ghana.

2. CONTINUANCE OF OPERATIONS

The Company is in the early stages of exploration and as is common with any exploration company, it raises financing for its exploration and acquisition activities. The Company has incurred a loss of $1,651,883 for the three month-period ended March 31, 2012 and has accumulated a deficit during the exploration stage of $19,298,305. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital and implement its business plan, which is typical for junior exploration companies. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management of the Company ("Management") is of the opinion that sufficient financing will be obtained from external financing and further share issuances to meet the Company's obligations. At March 31, 2012, the Company has working capital of $4,980,651, which would not be sufficient to fund the current level of operations for a period greater than twelve months. The Company's discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditures, and expenditures may be adjusted accordingly if required.

3. SIGNIFICANT ACCOUNTING POLICIES

Generally accepted accounting principles

The accompanying unaudited financial statements have been prepared by the Company in conformity with accounting principles generally accepted in the United States of America applicable to interim financial information and with the rules and regulations of the United States Securities and Exchange Commission. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed, or omitted, pursuant to such rules and regulations. In the opinion of Management, the unaudited interim financial statements include all adjustments necessary for the fair presentation of the results of the interim periods presented. All adjustments are of a normal recurring nature, except as otherwise noted below. These financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2011, included in the Company's Form 10-K, filed with the Securities and Exchange Commission. The results of operations for the interim periods are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year.

Cash and cash equivalents

The Company considers highly liquid investments with original maturities of three months or less to be cash equivalents. At March 31, 2012 and December 31, 2011, cash and cash equivalents consisted of cash held at financial institutions and highly liquid investments with original maturities of less than three months.

Loss per share

Basic loss per common share is computed using the weighted average number of common shares outstanding during the year. To calculate diluted loss per share, the Company uses the treasury stock method and the *if converted* method. As of March 31, 2012, there were 566,482 warrants (December 31, 2011 – 566,482) and 1,957,000 stock options (December 31, 2011 – 2,067,000) outstanding which have not been included in the weighted average number of common shares outstanding as these were anti-dilutive.

Fair value of financial assets and liabilities

The Company measures the fair value of financial assets and liabilities based on GAAP guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

Financial instruments, including due from related party, receivables, accounts payable and accrued liabilities are carried at cost, which management believes approximates fair value due to the short term nature of these instruments. Cash and cash equivalents, investments in trading securities and restricted cash are classified as held for trading, with unrealized gains and losses being recognized in income.

(Expressed in U.S. Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Fair value of financial assets and liabilities (cont'd…)

The following table presents information about the assets that are measured at fair value on a recurring basis as of March 31, 2012, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset:

	March 31, 2012	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 3,145,979	$ 3,145,979	$ —	$ —
Restricted cash	220,961	220,961	—	—
Marketable securities	2,783,027	2,783,027	—	—
Total	$ 6,149,967	$ 6,149,967	$ —	$ —

The fair values of cash and cash equivalents, restricted cash and investments are determined through market, observable and corroborated sources.

Recent accounting pronouncements

Fair Value Accounting

In May 2011, the ASC guidance was issued related to disclosures around fair value accounting. The updated guidance clarifies different components of fair value accounting including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity and disclosing quantitative information about the unobservable inputs used in fair value measurements that are categorized in Level 3 of the fair value hierarchy. The update is effective for the Company's fiscal year beginning January 1, 2012. The Company's January 1, 2012 adoption of the updated guidance had no impact on the Company's consolidated financial position, results of operations or cash flows.

4. INVESTMENTS

At March 31, 2012, the Company held investments classified as held for trading, which consisted of various equity securities and interest bearing debt instruments. All held for trading investments are carried at fair value. As of March 31, 2012, the fair value of investments was $2,783,027 (December 31, 2011 – $2,531,644).

The following table summarizes the fair value of the Company's investments.

	Investments	
	March 31, 2012	December 31, 2011
Trading securities	$ 2,415,157	$ 2,022,079
Interest bearing debt instruments	367,870	509,565
	$ 2,783,027	$ 2,531,644

(Expressed in U.S. Dollars)

5. EQUIPMENT

	March 31, 2012			December 31, 2011		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and equipment	$ 8,358	$ 7,049	$ 1,309	$ 8,358	$ 6,549	$ 1,809
Computer equipment	20,274	19,098	1,176	20,274	18,666	1,608
Exploration equipment	1,464,478	411,374	1,053,104	1,464,478	379,843	1,084,635
Vehicles	333,989	71,877	262,112	333,989	52,014	281,975
	$ 1,827,099	$ 509,398	$ 1,317,701	$ 1,827,099	$ 457,072	$ 1,370,027

6. MINERAL PROPERTIES

	March 31, 2012	December 31, 2011
Acquisition costs	$ 1,607,729	$ 1,607,729
Asset retirement obligation (Note 7)	131,133	131,133
Option payment received	(881,440)	(881,440)
Total	$ 857,422	$ 857,422

Kibi, Kwabeng and Pameng Projects

The Company holds an individual mining lease over the lease area of each of the Kibi Project, the Kwabeng Project and the Pameng Project, all of which are located in Ghana. Each of these mining leases grant the Company mining rights to produce gold in the respective lease areas until July 26, 2019 with respect to the Kwabeng and Pameng Projects, and until December 17, 2015 with respect to the Kibi Project (formerly known as the Apapam Project), the latter of which can be renewed for up to a further 30 year term on application and payment of applicable fees to the Minerals Commission of Ghana (“Mincom”). All gold production will be subject to a production royalty of the net smelter returns (“NSR”) payable to the Government of Ghana.

Banso and Muoso Project

During the year ended December 31, 2010, the Company made an application to Mincom to convert a single prospecting license (“PL”) securing its interest in the Banso and Muoso Projects located in Ghana to a mining lease covering the lease area of each of these Projects. This application was approved by Mincom who subsequently made recommendation to the Minister of Lands, Forestry and Mines to grant an individual mining lease for each Project. Subsequent to the year ended December 31, 2010, the Government of Ghana granted two mining leases for these Projects dated January 6, 2011. These mining leases grant the Company mining rights to produce gold in the respective lease areas until January 5, 2025 with respect to the Banso Project and until January 5, 2024 with respect to the Muoso Project. These mining leases supersede the PL previously granted to the Company. Among other things, both mining leases require that the Company (i) pay the Government of Ghana a fee of $30,000 in consideration of granting of each lease (paid in the March 2011 quarter); (ii) pay annual ground rent of GH¢260.00 (USD$167) for the Banso Project and GH¢280.00 (USD$180) for the Muoso Project (paid in the March 2011 quarter); (iii) commence commercial production of gold within two years from the date of the mining leases; and (iv) pay a production royalty to the Government of Ghana.

(Expressed in U.S. Dollars)

6. MINERAL PROPERTIES (cont'd…)

Banso and Muoso Project (cont'd…)

The Company executed a letter of intent ("LOI") with Buccaneer Gold Corp. ("Buccaneer"), formerly Verbina Resources Inc., a company related by two directors in common, on July 21, 2010 whereby Buccaneer could acquire an undivided 55% interest in the Company's interest in the mineral rights of the Company's Banso and Muoso concessions ("Concessions"). On January 21, 2011 the terms of the agreement were amended.

Pursuant to the 2011 LOI, Buccaneer can acquire a 55% legal and beneficial interest in the Company's interest in the mineral rights of the Concessions pursuant to the following terms: Buccaneer shall (i) provide the Company, by February 28, 2011, with notice of its satisfactory completion of due diligence of the Concessions (provided on January 21, 2011), and receipt of regulatory acceptance by the TSX Venture Exchange of the 2011 LOI (received on February 16, 2011) (the "Effective Date"); (ii) make a cash payment to the Company of $425,000 consisting of $100,000 upon the Effective Date and $325,000 within 90 days of the Effective Date (received); (iii) issue 1,000,000 fully paid and non-assessable common shares of Buccaneer to the Company upon the Effective Date (issued in the March 2011 quarter); (iv) incur a total of $4,425,000 in exploration expenditures on the Concessions within five (5) years of the Effective Date with $500,000 to be incurred in the first year (completed) from the Effective Date and $1,000,000 in each year thereafter, except that in the final year the exploration expenditures shall be a minimum of $925,000; and (v) pay to the Company $300,000 in connection with a Versatile Time-domain Electromagnetic ("VTEM"), Magnetic and Radiometric survey to be flown over the Concessions by the Company, which payment shall be credited toward the $500,000 in exploration expenditures referred to above in subparagraph (iv).

A definitive binding option agreement shall be entered into between the Company and Buccaneer which agreement will require approval from the Minister of Lands, Forestry and Mines.

The status of each Buccaneer commitment to the Company in the 2011 LOI is as follows:

Item	Description	Status
(i)	Due diligence completed	Completed
	TSX accepts LOI	Completed
(ii)	Pay $100,000 to the Company	Received by the Company
	Pay a further $325,000 to the Company	Received by the Company
(iii)	Issue 1,000,000 Buccaneer shares to the Company	Received by the Company
(iv)	Spend $4,425,000 on the properties over 5 years	In Progress
(v)	Pay $300,000 to the Company for a VTEM survey	Received by the Company

The 1,000,000 Buccaneer shares received were valued at $411,440 at the date of issuance.

Option agreement on Edum Banso Project

In October 2005, XG Exploration entered into an option agreement (the "Option Agreement") with Adom Mining Limited ("Adom") to acquire 100% of Adom's right, title and interest in and to a prospecting license on the Edum Banso concession (the "Edum Banso Project") located in Ghana. Adom further granted XG Exploration the right to explore, develop, mine and sell mineral products from this concession. The prospecting license has been renewed for a two year period expiring on July 21, 2013.

(Expressed in U.S. Dollars)

6. MINERAL PROPERTIES (cont'd…)

Option agreement on Edum Banso Project (cont'd…)

The consideration paid for the Option Agreement was $15,000 with additional payments of $5,000 to be paid on the anniversary date of the Option Agreement in each year during the term which term has been extended to November 11, 2013. Further net smelter royalty payments, based on proven and probable reserves and gold production, was also payable to Adom.

During August 2011, the Company assigned its interest in the Edum Banso Project to Norman Cay Development Inc. ("NCD") for a cash payment of $125,000, 1,000,000 NCD shares, valued at $260,000 at the date of issuance, and an option payment of $135,000 payable in six months from the date of assignment of the option interest. If NCD did not exercise its six-month option the Project reverted to the Company. Of the payments received, $20,000 reduced the carrying value of the Edum Banso Project on the balance sheet and the balance reduced exploration spending in the third quarter of 2011. A $25,000 finder's fee was paid to introduce the Company to NCD and this fee reduced the gain recorded in the statement of operations.

During the three month period ended March 31, 2012, NCD paid a final option payment of $135,000 to the Company.

Mining lease and prospecting license commitments

The Company is committed to expend, from time to time to the Minerals Commission for an extension of an expiry date of a prospecting license (currently $15,000 for each occurrence) or grant of a mining lease and pay the Environmental Protection Agency ("EPA") (of Ghana) for processing and certificate fees with respect to EPA permits, an aggregate of less than $500 in connection with annual or ground rent and mining permits to enter upon and gain access to the areas covered by the Company's mining leases and prospecting licenses.

7. ASSET RETIREMENT OBLIGATION

	March 31, 2012	December 31, 2011
Balance, beginning of period	$ 171,395	$ 155,395
Accretion expense	4,000	16,000
Balance, end of period	$ 175,395	$ 171,395

The Company has a legal obligation associated with its mineral properties for clean up costs when work programs are completed.

The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at $220,000 (2011 - $220,000). The obligation was calculated using a credit-adjusted risk free discount rate of 10% and an inflation rate of 2%. It is expected that this obligation will be funded from general Company resources at the time the costs are incurred. The Company has been required by the Ghanaian government to post a bond of $220,961 which has been recorded in restricted cash with accrued interest ($220,961 at March 31, 2012).

8. CAPITAL STOCK

Cancellation of shares

In May 2005, 47,000,000 common shares owned by two former directors were returned to treasury and cancelled.

In June 2006, 10,000 common shares were returned to the Company in settlement of a dispute and cancelled.

8. CAPITAL STOCK (cont'd…)

Cancellation of shares (cont'd…)

In May 2009, 200,000 common shares were repurchased for $50,000 and cancelled.

In May 2005, 47,000,000 common shares owned by two former directors were returned to treasury and cancelled.

In June 2006, 10,000 common shares were returned to the Company in settlement of a dispute and cancelled.

In May 2009, 200,000 common shares were repurchased for $50,000 and cancelled.

In March 2010, 80,891 common shares were repurchased for $108,000 and cancelled.

Issuance of shares for services

In December 2008, an aggregate of 131,243 common shares were issued to three vendors of the Company's subsidiary, XG Mining to settle outstanding accounts for services at a value of $1.50 per share.

Private placements

In June 2010, the Company issued 250,000 units at $1.00 per unit for gross proceeds of $250,000. Each unit consisted of one common share and one half of one share purchase warrant. One whole warrant enables the holder to acquire an additional common share at a price of $1.50 expiring 18 months from the date of issue. The Company also issued finder's warrants enabling the holders to acquire up to 25,000 common shares at the same terms as the unit warrants. The fair value of the finder's warrants was $15,091 calculated using the Black-Scholes valuation method. The assumptions used were 1.5 years of expected life, risk free interest rate of 1.82%, volatility of 99.78% and a dividend rate of 0%.

In April 2010, the Company issued 838,000 units at $1.00 per unit for gross proceeds of $838,000. Each unit consisted of one common share and one half of one share purchase warrant. One whole warrant enables the holder to acquire an additional common share at a price of $1.50 expiring 18 months from the date of issue. The Company also issued finder's warrants enabling the holders to acquire up to 73,800 common shares at the same terms as the unit warrants. The fair value of finder's warrants was $40,516 calculated using the Black-Scholes valuation method. The assumptions used were 1.5 years of expected life, risk free interest rate of 2.05%, volatility of 116.59% and a dividend rate of 0%.

In December 2009, the Company issued 706,000 units at $1.00 per unit for gross proceeds of $706,000. Each unit consisted of one common share and one half of one share purchase warrant. One whole warrant enables the holder to acquire an additional common share at a price of $1.50 expiring eighteen months from the date of issue. The Company also issued finder's warrants enabling the holders to acquire up to 50,600 common shares at the same terms as the unit warrants. The fair value of finder's warrants was $20,098 calculated using the Black-Scholes valuation method. The assumptions used were 1.5 years of expected life, risk free interest rate of 2.05%, volatility of 109% and a dividend rate of 0%.

In August 2009, the Company issued 376,875 units at $0.80 per unit for gross proceeds of $301,500. Each unit consisted of one common share and one half of one share purchase warrant. One whole warrant enables the holder to acquire an additional common share at a price of $1.00 expiring two years from the date of issue.

In April and May 2009, the Company issued 1,018,000 units at $0.70 per unit for gross proceeds of $712,600. Each unit consisted of one common share and one share purchase warrant enabling the holder to acquire an additional common share at a price of $1.00 expiring two years from the date of issue.

(Expressed in U.S. Dollars)

8. CAPITAL STOCK (cont'd…)

Initial Public Offering

In November 2010, the Company completed an initial public offering in Canada (the "IPO") and issued 8,092,593 common shares at CAD$1.35 (USD$1.33) for gross proceeds of CAD$10,925,001 (USD$10,753,149). The Company also issued 566,482 broker warrants with a strike price of CAD$1.35 (US$1.33) per warrant and a two-year term to maturity. The Company valued the warrants at $364,248 using the Black-Scholes model with a 90% volatility, 0% dividend and 1.5% interest rate.

Escrow Shares

A total of 267,500 shares (the "Escrow Shares") were deposited into escrow at the time of listing of the Company's shares on the Toronto Stock Exchange on November 23, 2010 (the "Listing Date"), following completion of the IPO. The Escrow Shares are released from escrow as to (a) 1/4 of the Escrow Shares on the Listing Date; (b) 1/3 of the remaining Escrow Shares, six months after the Listing Date; (c) 1/2 of the remaining Escrow Shares, 12 months after the Listing Date; and (d) the remaining Escrow Shares, 18 months after the Listing Date. As of March 31, 2012, a total of 66,875 Escrow Shares were held in escrow (December 31, 2011 – 133,750).

Acquisition of subsidiary

Effective December 22, 2004, the Company acquired 90% of the outstanding shares of XG Mining in exchange for 2,698,350 shares of common stock. In connection with this acquisition, 47,000,000 shares owned by two former officers and directors of the Company were returned to treasury and cancelled.

Stock options

On June 30, 2011, the Company adopted a new 10% rolling stock option plan (the "2011 Plan") and cancelled the 2005 equity compensation plan. Pursuant to the 2011 Plan, the Company is entitled to grant options and reserve for issuance up to 10% of the shares issued and outstanding at the time of grant. The terms and conditions of any options granted, including the number and type of options, the exercise period, the exercise price and vesting provisions, are determined by the Compensation Committee who makes recommendation to the board of directors for their approval. The maximum term of options granted cannot exceed 10 years.

At March 31, 2012, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
324,000	$0.70	May 1, 2013
540,000	$0.75	May 1, 2013
108,000	$1.00	January 1, 2013
216,000	$1.00	February 1, 2013
270,000	$1.00	May 1, 2013
90,000	$1.15	July 1, 2013
108,000	$1.85	June 10, 2014
100,000	$1.85	July 1, 2014
145,000	$1.95	March 1, 2014
56,000	$1.98	February 15, 2014

(Expressed in U.S. Dollars)

8. CAPITAL STOCK (cont'd…)

Stock options (cont'd…)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	March 31, 2012		December 31, 2011	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Outstanding, beginning of period	2,067,000	$ 1.07	1,788,000	$ 0.88
Granted	—	—	409,000	1.90
Exercised	110,000	1.00	—	—
Cancelled/Expired	—	—	(130,000)	1.05
Outstanding, end of period	1,957,000	$ 1.08	2,067,000	$ 1.07
Exercisable, end of period	1,686,500	$ 1.00	1,749,500	$ 0.99

The aggregate intrinsic value for options vested as of March 31, 2012 is approximately $739,472 (December 31, 2011 - $452,250) and for total options outstanding is approximately $771,794 (December 31, 2011 - $758,750).

No stock options were granted during the three month period ended March 31, 2012.

Warrants

At March 31, 2012, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
566,482	$1.33	November 23, 2012

Warrant transactions and the number of warrants outstanding are summarized as follows:

	March 31, 2012		December 31, 2011	
	Number of Warrants	**Weighted Average Exercise Price**	**Number of Warrants**	**Weighted Average Exercise Price**
Outstanding, beginning of period	566,482	$ 1.33	2,439,320	$ 1.29
Issued	—		—	—
Exercised	—		(1,608,038)	1.24
Expired	—		(264,800)	1.49
Exercisable, end of period	566,482	$ 1.33	566,482	$ 1.33

9. RELATED PARTY TRANSACTIONS

During the three month periods ended March 31, 2012 and March 31, 2011, the Company entered into the following transactions with related parties:

(Expressed in U.S. Dollars)

9. RELATED PARTY TRANSACTIONS (cont'd…)

	Three months March 31, 2012	Three months March 31, 2011
Consulting fees paid or accrued to officers or their companies	$ 92,181	$ 100,299
Directors' fees	8,484	8,605
Stock option grants to officers and directors	—	115,000
Stock option grant price range	$ —	$ 1.95

An amount of $2,005 was due from a company with two directors in common (December 31, 2011 - $213,872).

The amounts charged to the Company for the services provided have been determined by negotiation among the parties. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Cumulative amounts from the beginning of the exploration stage on January 1, 2003 to March 31, 2012	March 31, 2012	March 31, 2011
Cash paid during the period for:			
Interest	$ 241,936	$ —	$ 187,362
Income taxes	$ —	$ —	$ —

There were no significant non-cash transactions during the three-month period ended March 31, 2012.

The significant non-cash transaction during the three months ended March 31, 2011 was the receipt of 1,000,000 Buccaneer common shares per the 2011 LOI valued at $411,440.

11. SEGMENTED INFORMATION

The Company has one reportable segment, being the exploration and development of resource properties.

Geographic information is as follows:

	March 31, 2012	December 31, 2011
Cash and restricted cash:		
Canada	$ 2,903,312	$ 4,263,201
Ghana	463,628	456,513
Total cash and restricted cash	3,366,940	4,719,714
Capital assets		
Canada	2,485	3,418
Ghana	2,172,638	2,224,031
Total capital assets	2,175,123	2,227,449
Total	$ 5,542,063	$ 6,947,163

12. CONTINGENCY AND COMMITMENTS

a) The Company entered into a management consulting agreement with the Vice President, Exploration, which extends from March 1, 2011 to March 1, 2014, whereby the Company will pay CAD$12,500 (USD$12,534) per month for the three year term for providing the majority of his time in consulting services to the Company. In the event of termination, without cause, before September 30, 2012, the Company will be required to pay CAD$10,000 (USD$10,027) for each month of early termination up to September 30, 2012. Thereafter, in the event that the services are terminated at any time after October 1, 2012, then no additional payment will be payable.

b) The Company leases 1,163 square feet for its corporate office located at Suite 301, 360 Bay Street, Toronto, Ontario. The lease has a 66 month term commencing May 1, 2007, at approximately CAD$4,392 (USD$4,404) per month.

c) In late 2009, the Government of Ghana announced an increase in the gross overriding royalty ("GOR") required payable by all mining companies in the country from 3% to 5%. The industry standard remained at 3% due to stability agreements which were in place with a number of companies. From the commencement of gold recovery in July 2010 to September 2010, the Company paid the GOR at 5% and as of October 2010, the Company began to pay the GOR at 3% until July 1, 2011 when the Company again paid the royalty at 5%. As a result of this decision, there is a potential unrecorded liability of $84,300 related to 2010 activities and a recorded liability of $120,000 related to 2011 activities.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The following discussion and analysis of the consolidated financial statements and results of operations of Xtra-Gold Resources Corp. (**"Xtra-Gold"** or **"our company"**) for the three months ended March 31, 2012 and 2011 should be read in conjunction with the consolidated financial statements and the related notes to our company's consolidated financial statements and other information presented elsewhere in this Report. 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 Report. Our company's consolidated unaudited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

Highlights

- In March 2012, we announced 31 holes totaling 6,654 metres of core had been drilled with respect to our 2012 Drill Program at our Kibi Project.
- Used $1,352,774 cash in the quarter. Cash of $3,145,979 at March 31, 2012.
- In January 2012, we received a final option payment of $135,000 from Norman Cay Development, Inc. (**"NCD"**) in connection with the assignment of our interest in the Edum Banso Project.

Plan of Operations

We are a gold exploration company engaged in the exploration of gold properties in the Republic of Ghana, West Africa. Our mining portfolio currently consists of 225.87 sq km comprised of 33.65 sq km for our Kibi Project, 51.67 sq km for our Banso Project, 55.28 sq km for our Muoso Project, 44.76 sq km for our Kwabeng Project, and 40.51 sq km for our Pameng Project, or 55,873 acres, pursuant to the leased areas set forth in our respective mining leases.

Our strategic plan is, with respect to our mineral projects: (i) to focus our efforts and dedicate our financial resources toward the potential to drill out a mineral resource and, perhaps ultimately, a mineral reserve of our Kibi Project located on the Kibi Gold Belt; (ii) to define a mineral resource and, perhaps ultimately, a mineral reserve on our other exploration projects and, in this regard, we will also attempt to do this by optioning to other qualified exploration entities; (iii) to enter into negotiations with independent Ghanaian contract miners and operators to assume our recovery of gold operations at our Kwabeng Project with a view to these contractors conducting recovery of placer gold operations for fixed payments to our company; and (iv) 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 mineral reserves.

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 our company's 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.

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.

In October 2008, we temporarily suspended our placer mining operations at our Kwabeng Project while our management evaluated a more economic and efficient manner in which to extract and process the gold from the mineralized material at this Project. Our operations resumed in 2010, which focused primarily on reclamation. As at the date of this Report, operations at our Kwabeng Project have not resumed. During the next 12 months, we plan to (i) enter into negotiations to contract out the recovery of placer gold operations at this Project, as noted above; (ii) advance the development of our Kibi Project by carrying out our 2012 Drill Program; and (iii) acquire further interests in mineral projects by way of acquisition or joint venture participation.

We anticipate that, during 2012, we will spend an aggregate of approximately $6,000,000 comprised of $5,000,000 for exploration expenses in connection with our 2012 Drill Program of our Kibi Project located on the Kibi Gold Belt to identify a potential mineral resource and approximately $1,000,000 for general and administrative expenses (which excludes approximately $500,000 in non-cash expenses).

Our company has historically relied on equity and debt financings to finance its ongoing operations. Existing working capital, possible debt instruments, anticipated warrant exercises, further private placements and anticipated cash flow are expected to be adequate to fund our company's operations over the next year. During the current year and subsequent to 2012, we require additional capital to implement our plan of operations. We anticipate that these funds primarily will be raised through equity and debt financing or from other available sources of financing. If we raise additional funds through the issuance of equity or convertible debt securities, it may result in the dilution in the equity ownership of investors in our common stock. There can be no assurance that additional financing will be available upon acceptable terms, if at all. If adequate funds are not available or are not available on acceptable terms, we may be unable to take advantage of prospective new opportunities or acquisitions, which could significantly and materially restrict our operations, or we may be forced to discontinue our current projects.

Trends

In 2011, many commodity and stock market indices continued to experience historically high levels of volatility in the face of the global economic uncertainty. Financial market conditions continued to improve during 2011 as global credit markets started to return to a more normal position, investor confidence improved and most economies experienced positive growth.

During 2011, the US dollar was generally in decline, primarily from concerns about the level of US government borrowings and the growing US deficit and from the low interest rates offered on US dollar deposits. The EURO also weakened against the Canadian dollar as a result of low interest rates, concerns about the solvency of certain European economies and the level of sovereign debt in those countries. During the first quarter of 2012, the US dollar strengthened against the Ghanaian Cedi and weakened against the Canadian dollar.

Gold price volatility in 2011 remained high with the price reaching a high of US$1,895 per ounce. During the first quarter of 2012, the gold price continued to increase and to be volatile, reaching a high of $1,788 per ounce on February 29, 2012 of the March 2012 quarter and a low of $1,590 on January 3, 2012. The average market price for the first quarter of 2012 was $1,691 per ounce and for 2011 was US$1,402 per ounce. The tone for the precious metals market in the near future will depend on whether the US dollar will be supported, and if the central banks will continue to maintain interest rates at low levels to support economic growth. The continued global easing of monetary policy could lead to higher inflation and further US dollar depreciation in the coming years. This dollar depreciation could have a positive impact on gold prices in the future and the long–term upward trend in prices may continue. Conversely, subdued inflation rates and the recovering global economy could put downward pressure on the gold price in the future. Additionally, recent events in Europe could continue to have a positive effect on the gold price.

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

Summary of Quarterly Results

Three Months Ended	**Net Income (Loss) $**	**Basic and Diluted Income (Loss) Per Share $**
March 31, 2012	$ (1,651,833)	$ (0.04)
December 31, 2011	(1,455,042)	(0.03)
September 30, 2011	(2,014,669)	(0.05)
June 30, 2011	(1,423,584)	(0.03)
March 31, 2011	(431,462)	(0.01)
December 31, 2010	(1,454,847)	(0.04)
September 30, 2010	(563,501)	(0.02)
June 30, 2010	(886,367)	(0.03)
March 31, 2010	(112,198)	(0.00)
December 31, 2009	(433,872)	(0.01)
September 30, 2009	(425,971)	(0.01)

Three Months Ended March 31, 2012 Compared to the Three Months Ended March 31, 2011

Our company's loss for the three months ended March 31, 2012 was $1,651,833 as compared to a net loss of $431,462 for the three months ended March 31, 2011, an increase of $1,220,371.

Our company's basic and diluted loss per share for the three months ended March 31, 2012 was $0.04 compared to a net loss of $0.01 per share for the three months ended March 31, 2011. The weighted average number of shares outstanding was 44,647,788 for the three months ended March 31, 2012 compared to 42,964,831 for the three months ended March 31, 2011. The increase in the weighted average number of shares outstanding can be attributed to the issuance of 110,000 shares in connection with an exercise of stock options during the three months ended March 31, 2012.

We incurred expenses of $2,305,571 in the three months ended March 31, 2012 as compared to $1,854,725 in the three months ended March 31, 2011, an increase of $450,846. The increase in expenses in the three months ended March 31, 2012 can be primarily attributed to an increase of $625,323 in exploration costs to $2,194,301 as compared to $1,568,978 for the three months ended March 31, 2011 resulting from drilling and other exploration activities conducted at our Kibi Project. All exploration costs for the three months ended March 31, 2012 were booked as exploration expenses. The final option payment received from NCD of $135,000 was recorded as option payments in excess of the mineral property.

General and administrative expenses (**"G&A"**) of $193,944 for the three months ended March 31, 2012, as compared to $255,345 for the three months ended March 31, 2011, included consulting fees, stock based compensation, legal, auditor and regulatory filing fees, travel and promotional expenses. The reduction mostly resulted from reduced marketing and travel costs to date in 2012. Stock-based compensation of $40,653 in the three months ended March 31, 2012, as compared to $21,311 in the three months ended March 31, 2011, represented the expense with respect to stock options vested during the period.

Amortization for the three months ended March 31, 2012 was $52,326 as compared to $30,402 for the three months ended March 31, 2011, an increase of $21,924, due to equipment additions late in 2011.

Exploration results during the quarter were primarily focused on our Kibi Project including drilling of 8,540 metres and trenching of 397 metres, while 3,800 drill assays and 696 trenching assays were received from the lab.

Other items totaled a gain of $450,197 for the three months ended March 31, 2012 compared to a gain of $1,380,921 for the three months ended March 31, 2011. During the three months ended March 31, 2012, our company had a foreign exchange gain of $76,055 compared to a gain of $107,247 in the three months ended March 31, 2011 which can be mostly attributed to a stronger Canadian dollar in the quarter. Gold recovery during the three months ended March 31, 2012 was $70,557 as compared to $1,021,775 for the three months ended March 31, 2011 as efforts in the 2012 quarter were focused on land remediation rather than production. Our company's portfolio of marketable securities had an unrealized gain of $236,658 in the three months ended March 31, 2012 compared to an unrealized loss of $19,509 in the three months ended March 31, 2011 which loss can be attributed to extreme volatility in the public equity markets this reporting period. Our company had a realized gain of $35,728 in the first three months of 2012 from the sale of trading securities as compared to no sales of trading securities in the three months ended March 31, 2011. Other income, primarily derived from dividends and interest earned and other miscellaneous items, reported gain of $31,199 in the three months ended March 31, 2012 as compared to a gain of $11,350 in the three months ended March 31, 2011.

During the three months ended March 31, 2012, we received 72 ounces of gold from our share of the placer gold operations. These placer gold operations have been contracted to local Ghanaian groups which pay a portion of their gold receipts to us for the right to work on our projects. We pay all government royalties due on all of the production. This method promotes the local economy while avoiding illegal workings on our projects.

Liquidity and Capital Resources

Our activities, principally the exploration and acquisition of properties for gold and other metals, may be financed through joint ventures or through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. In November 2010, our company issued 8,092,593 common shares for proceeds of $10.8 million in conjunction with our IPO on to the TSX. We issued 566,482 broker warrants related to the IPO.

At March 31, 2012, accounts payable and accrued liabilities increased to $1,072,360 (December 31, 2011 - $745,860), as operations restarted from the December holiday operating slowdown. Our cash and cash equivalents as at March 31, 2012 were sufficient to pay these liabilities.

At March 31, 2012, we had total cash of $3,145,979 (December 31, 2011 - $4,498,753). Working capital as of March 31, 2012 was $4,980,651 (December 31, 2011 - $6,629,046).

The decrease in cash mostly reflects exploration and administrative spending net of gold recovery. During the March 2012 quarter, our company purchased $83,157 in equity investments.

During the three months ended March 31, 2012, we received (i) a final payment of $135,000 from NCD with respect to our assignment of our interest in the Edum Banso Project; and (ii) $110,000 in connection with the exercise of 110,000 stock options by a consultant of our company.

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 our 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 common shares, warrants and stock options outstanding as at May 14, 2012, March 31, 2012, and December 31, 2011 were as follows:

	May 14, 2012	March 31, 2012	December31, 2011
Common shares	44,679,217	44,679,217	44,569,217
Warrants	566,482	566,482	566,482
Stock Options	1,957,000	1,957,000	2,067,000
Fully diluted	47,202,699	47,202,699	47,202,699

As of the date of this Report, the full exercise of the outstanding warrants and options would raise approximately $2.9 million. Exercise of these warrants and options is not anticipated until the market value of our common shares 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 2012 budget is approximately $6.0 million as disclosed above under the heading “Plan of Operations”. As of the date of this MD&A, our total cash position is sufficient to meet our current budgetary requirements for 2012. These expenditures are subject to change if management decides to scale back or accelerate operations.

We expect to be adequately capitalized to fund ongoing operations at the current level in the short-term for fiscal 2012. As is typical for junior exploration companies, we will require additional funds from equity sources to maintain the current momentum on our Projects.

Recent Capital Raising Transactions

During November 2010, we raised $10.8 million from the issuance of 8,092,593 common shares.

Material Commitments

Mineral Property Commitments

Save and except for fees payable from time to time to (i) the Minerals Commission for an extension of an expiry date of a prospecting license (current consideration fee payable is $15,000) or mining lease or annual operating permits; (ii) the EPA for the issuance of permits prior to the commencement of any work at a particular concession or the posting of a bond in connection with any mining operations undertaken by our company; and (iii) a legal obligation associated with our mineral properties for clean up costs when work programs are completed, we are committed to expend an aggregate of less than $500 in connection with annual or ground rent and mining permits to enter upon and gain access to the following concessions and such other financial commitments arising out of any approved exploration programs in connection therewith:

(i) the Apapam Concession (Kibi Project);

(ii) the Kwabeng Concession (Kwabeng Project);

(iii) the Pameng Concession (Pameng Project);

(iv) the Banso Concession (Banso Project); and

(v) the Muoso Concession (Muoso Project).

Upon and following the commencement of gold production at any of our Projects, a royalty of the net smelter returns is payable quarterly to the Government of Ghana as prescribed by legislation.

Purchase of Significant Equipment

We consider the availability of equipment to conduct our exploration activities. Due to demand from the mining and exploration industry, at this time it is difficult to source resources for exploration work in Ghana, including drills, excavators and bulldozers. We will consider the further acquisition of equipment pieces to allow work to expand on our Projects.

Off Balance Sheet Arrangements

Our company has no off balance sheet arrangements.

Significant Accounting Applications

There was no change in significant accounting policies from those used in the December 31, 2011 audited financial statements, unless noted below in this section.

Cash and cash equivalents

Our company considers highly liquid investments with original maturities of three months or less to be cash equivalents. At March 31, 2012 and December 31, 2011, cash and cash equivalents consisted of cash held at financial institutions and highly liquid investments with original maturities o less than three months.

Loss per share

Basic loss per common share is computed using the weighted average number of common shares outstanding during the year. To calculate diluted loss per share, our company uses the treasury stock method and the *if converted* method. As of March 31, 2012, there were 566,482 warrants (December 31, 2011 – 566,482) and 1,957,000 stock options (December 31, 2011 – 2,067,000) exercisable into common shares, none of which have been included in the weighted average number of common shares outstanding in either period as these were anti-dilutive.

Fair value of financial assets and liabilities

Our company measures the fair value of financial assets and liabilities based on GAAP guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Effective January 1, 2008, our company adopted the provisions for financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis. Effective January 1, 2009, our company adopted the provisions for non-financial assets and liabilities that are required to be measured at fair value.

Our company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income.

Financial instruments, including cash and cash equivalents, receivables, restricted cash, and accounts payable and accrued liabilities are carried at cost, which management believes approximates fair value due to the short term nature of these instruments. Investments in trading securities are classified as held for trading, with unrealized gains and losses being recognized in income.

The following table presents information about the assets that are measured at fair value on a recurring basis as of December 31, 2011, and indicates the fair value hierarchy of the valuation techniques our company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and included situations where there is little, if any, market activity for the asset:

	March 31, 2012	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 3,145,979	$ 3,145,979	$ —	$ —
Restricted cash	220,961	220,961	—	—
Marketable securities	2,783,027	2,783,027	—	—
Total	$ 6,149,967	$ 6,149,967	$ —	$ —

The fair values of cash and cash equivalents and marketable securities are determined through market, observable and corroborated sources.

Concentration of credit risk

The financial instrument which potentially subjects our company to concentration of credit risk is cash. Our company maintains cash in bank accounts that, at times, may exceed federally insured limits. As of March 31, 2012 and December 31, 2011, our company has exceeded the federally insured limit. Our company has not experienced any losses in such accounts and believes it is not exposed to any significant risks on its cash in bank accounts.

Recent Accounting Pronouncements

Fair Value Accounting

In May 2011, the ASC guidance was issued related to disclosures around fair value accounting. The updated guidance clarifies different components of fair value accounting including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity and disclosing quantitative information about the unobservable inputs used in fair value measurements that are categorized in Level 3 of the fair value hierarchy. The update is effective for the Company's fiscal year beginning January 1, 2012. The Company's January 1, 2012 adoption of the updated guidance had no impact on the Company's consolidated financial position, results of operations or cash flows.

Forward Looking Statements

The information in this quarterly report contains forward-looking statements. These forward-looking statements involve risks and uncertainties, including statements regarding Xtra-Gold's financial condition, results of operations, business prospects, plans, objectives, goals, strategies, expectations, future events, capital expenditure and exploration efforts. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "anticipates", "expects", "intends", "plans", "forecasts", "projects", "budgets", "believes", "seeks", "estimates", "could", "might", "should" "may", "will", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined from time to time, in other reports that Xtra-Gold files with the Securities and Exchange Commission. These factors may cause our company's actual results to differ materially from any forward-looking statement. Our company disclaims any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Xtra-Gold is a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act and, as such, is not required to provide the information required under this item.

Item 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

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

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

Management's Report on Internal Control over Financial Reporting

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

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

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

Our management assessed the effectiveness of our internal control over financial reporting as of March 31, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of these controls. Based on this assessment, our management has concluded that as of March 31, 2012, our internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with our evaluation that occurred during our quarter ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Our company was party to a lawsuit for the sum of $121,336.66 filed in the Ghanaian courts pertaining to payment for excavation services provided by a subcontractor. We believed that the debt had previously been discharged through the transfer of our shares to the subcontractor in 2008. During the quarter ended March 31, 2010, we settled the lawsuit by paying the subcontractor $108,000 in return for the shares previously issued which we subsequently cancelled.

Except for the foregoing, neither our company nor any of our subsidiaries was a party or of which any of our property was the subject in any material pending legal proceedings that exceeds 10% of our current assets and our subsidiaries on a consolidated basis during the quarter ended March 31, 2012.

Item 1A. RISK FACTORS

Xtra-Gold is a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act and, as such, our company is not required to provide the information required by this item.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of equity securities during the quarter ended March 31, 2012.

Item 3. DEFAULTS UPON SENIOR SECURITIES

There has been no material default, during the period covered by this Report, in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days with respect to any indebtedness of our company or any of our significant subsidiaries exceeding 5% of our total assets and our consolidated subsidiaries.

Item 4. MINE SAFETY DISCLOSURES

Not applicable to our operations.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Exhibits

The following documents are included as exhibits to this Report. Exhibits incorporated by reference are so indicated.

Exhibit No.	Description of Document
31.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer
31.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer
32.1	Section 1350 Certification of Principal Executive Officer
32.2	Section 1350 Certification of Principal Financial Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 14, 2012

XTRA-GOLD RESOURCES CORP.
(Registrant)

By **/s/ Paul Zyla**
Paul Zyla
Principal Executive Officer

By **/s/ John Charles Ross**
John Charles Ross
Principal Financial Officer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) OR RULE 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, PAUL ZYLA, hereby certify that:

1. I have reviewed this quarterly report on Form 10-Q of Xtra-Gold Resources Corp. (the “Registrant”).

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.

4. The Registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s control over financial reporting.

Date: May 14, 2012

s/s Paul Zyla

By Paul Zyla
Principal Executive Officer

Exhibit 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) OR RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, JOHN CHARLES ROSS, hereby certify that:

1. I have reviewed this quarterly report on Form 10-Q of Xtra-Gold Resources Corp. (the "Registrant").

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's control over financial reporting.

Date: May 14, 2012

s/s John Charles Ross

By John Charles Ross
Principal Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Xtra-Gold Resources Corp. (the "Company") on Form 10-Q for the period ended March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, PAUL ZYLA, Chief Executive Officer of our Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	May 14, 2012	s/s	Paul Zyla
		By	Paul Zyla Principal Executive Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by our company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Xtra-Gold Resources Corp. (the "Company") on Form 10-Q for the period ended March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, JOHN CHARLES ROSS, Chief Financial Officer of our company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	May 14, 2012	s/s	John Charles Ross
		By	John Charles Ross Principal Financial Officer

A signed original of this written statement required by Section 906 has been provided to and will be retained by our company and furnished to the Securities and Exchange Commission or its staff upon request.