

TORONTO, Feb. 22, 2016 (GLOBE NEWSWIRE) -- [Xtra-Gold Resources Corp.](#) ("Xtra-Gold") (TSX:XTG) (OTCQB:XTGRF): The management of Xtra-Gold wishes to clarify certain erroneous public disclosures made by [Buccaneer Gold Corp.](#) ("Buccaneer") about its business affairs with Xtra-Gold in Buccaneer's filings made on Sedar.

As has been previously disclosed by Xtra-Gold, on July 24, 2015, Buccaneer filed an action in the Ontario Superior Court of Justice against Xtra-Gold and another individual (the "Action"). In the Action, Buccaneer alleges that in July, 2010, Buccaneer and Xtra-Gold entered into a letter of intent (the "LOI") to option (the "Option") Xtra-Gold's Banso and Muoso prospecting licenses in Ghana leading to a joint venture between the parties.

Buccaneer also alleges that pursuant to the said joint venture, Buccaneer acquired an immediate 55% undivided interest in the alluvial mining rights of Xtra-Gold's Banso and Muoso Concessions (the "Concessions") at the time the agreement was reached and paid \$50,000 for those rights.

The Action claims against the defendants damages for breach of contract and breach of fiduciary duty and for an accounting of profits from the sale of alluvial gold recovered from the Concessions.

Erroneous Disclosure About Alleged Alluvial "Immediate Interest";

In respect of the allegation in the Action by Buccaneer that it acquired an immediate 55% interest in the alluvial rights to the Concessions, Xtra-Gold has been unable to locate any record of such alluvial agreement or payment in respect thereof, and announced shortly after the Action was issued that it questioned the validity/existence of the same and that it was reviewing the circumstances of the previous disclosure made by Xtra-Gold in respect of an alleged agreement relating to alluvial rights to the Concessions.

Xtra-Gold notes that at the time of the alleged transaction and subsequent public disclosures, Mr Paul Zyla was the CEO and a director of both Xtra-Gold and Buccaneer and in a position of conflict of interest.

In Buccaneer's Management Discussion & Analysis made as of August 26, 2015 and filed on Sedar, Buccaneer makes the following disclosure:

Erroneous Buccaneer Disclosure:

"During the quarter ended June 30, 2015, the Company discovered that Xtra-Gold Corp. ("Xtra") recently sold the first batch of alluvial gold recovered from Xtra's Banso and Muoso Mining Leases in Ghana. *The Banso and Muoso Mining Leases are subject to a Joint Venture with Buccaneer and the Company previously purchased a 55% up-front interest in the alluvial proceeds from Xtra for US\$50,000 as part of the same Agreement in which the Corporation has the right to earn a 55% interest in those Mining Leases.*" [Erroneous portion in italics]

On August 27, 2015, Xtra-Gold's counsel wrote to Mr Zyla, requesting evidence of the alleged alluvial agreement and payment but Mr. Zyla never responded to this letter.

Xtra-Gold notes that, contrary to Buccaneer's previous disclosure, Buccaneer's recent public disclosure, including its MD&A and audited annual financial statements for the year ended September 30, 2015 and filed on Sedar, now make no reference to the previously alleged alluvial "Joint Venture" agreement or the alleged \$50,000 payment.

In light of these events, Xtra-Gold believes it is appropriate to confirm its position that there is not, and never has been, an agreement for an immediate 55% interest in the alluvial rights to the Concession. Xtra-Gold disputes Buccaneer's public representations about this situation both in its initial disclosures and its more recent omission to explicitly correct previous erroneous disclosure.

Update on Status of Option

As has been previously reported by Xtra-Gold, in 2013, Buccaneer ceased all activity at the Concession. At the time and in certain disclosures thereafter, Xtra-Gold reported that it granted Buccaneer a two year extension to complete its obligation to incur the \$4,425,000 in exploration expenditures. These disclosures were made while Mr. Zyla was the CEO and a director of both Xtra-Gold and Buccaneer and in a position of conflict of interest.

Xtra-Gold has been unable to locate any record of any such extension agreement. Xtra-Gold recently requested Mr. Zyla to provide evidence of such an agreement but has received no response to this request.

Xtra-Gold notes that Buccaneer's recently filed MD&A for the year ended September 30, 2015 now references an

alleged agreement to extend based on a "course of conduct and clear intentions of the parties and other relevant factors". Xtra-Gold confirms and reiterates its position that there never has been any extension of the Option, and accordingly the Option has expired due to non-fulfillment of its terms.

Xtra-Gold disputes Buccaneer's public disclosure regarding the alleged agreement to extend the Option, and disclaims that there is any proper basis for creating or evidencing a valid "binding agreement" between two companies for mineral rights in Ghana in the manner alleged, without terms, documentation or consideration, particularly given the conflict of interest arising from the fact that Mr. Zyla was the CEO and director of both Xtra-Gold and Buccaneer at the relevant times.

Update on the Action

Xtra-Gold believes the claims in the Action are without merit and will vigorously defend the unfounded claims in the event they are raised in an appropriate forum. It is Xtra-Gold's position that the only contract between the parties was the LOI (which is now expired), and to the extent there are any matters in dispute between the parties in respect of activities under the LOI, resolution of the dispute should be under arbitration pursuant to the LOI terms, not a court proceeding. The Action is not properly before the Ontario court, and Xtra-Gold intends to seek an order of the Ontario Superior Court of Justice staying the Action if it is not withdrawn.

About Xtra-Gold Resources Corp.

Xtra-Gold is a gold exploration company with a substantial land position in the Kibi Gold Belt. The Kibi Gold Belt, which exhibits many similar geological features to Ghana's main gold belt, the Ashanti Belt, has been the subject of very limited modern exploration activity targeting lode gold deposits as virtually all past gold mining activity and exploration efforts focused on the extensive alluvial gold occurrences in many river valleys throughout the Kibi area.

Xtra-Gold holds 5 Mining Leases totaling approximately 226 sq km (22,600 ha) at the northern extremity of the Kibi Gold Belt. Xtra-Gold's exploration efforts to date have focused on the Kibi Project located on the Apapam Concession (33.65 sq km), along the eastern flank of the Kibi Gold Belt. The NI 43-101 Technical Report entitled "Independent Technical Report, Apapam Concession, Kibi Project, Eastern Region, Ghana", prepared by SEMS Explorations and dated October 31, 2012, is filed under Xtra-Gold's profile on SEDAR at www.sedar.com.

Forward-Looking Statements

The TSX does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This news release includes certain "forward-looking statements". These statements are based on information currently available to Xtra-Gold and Xtra-Gold provides no assurance that actual results will meet management's expectations. Forward looking statements include estimates and statements that describe Xtra-Gold's future plans, objectives or goals, including words to the effect that Xtra-Gold or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, project development, reclamation and capital costs of Xtra-Gold's mineral properties, and Xtra-Gold's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as: changes in general economic conditions and conditions in the financial markets; changes in demand and prices for minerals; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the activities of Xtra-Gold; and other matters discussed in this news release. This list is not exhaustive of the factors that may affect any of Xtra-Gold's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Xtra-Gold's forward-looking statements. Xtra-Gold does not undertake to update any forward-looking statement that may be made from time to time by Xtra-Gold or on its behalf, except in accordance with applicable securities laws.

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