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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE SECURITIES EXCHANGE ACT OF 1934
For the month of May 2019

Commission File Number: 001-31819

Gold Reserve Inc.

(Exact name of registrant as specified in its charter)
999 W. Riverside Avenue, Suite 401
Spokane, Washington 99201
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes ☐ No x

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

This Report on Form 6-K and the exhibits attached hereto are hereby incorporated by reference into Gold Reserve Inc.'s (the "Company") current Registration Statements on Form F-3 on file with the U.S. Securities and Exchange Commission (the "SEC").

The following exhibits are furnished with this Form 6-K:

99.1 Notice of Annual General and Special Meeting of Shareholders and Information Circular
99.2 Form of Proxy
99.3 Supplemental Mailing List Return Card
99.4 Annual Report
99.5 Letter of Transmittal

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

The information presented or incorporated by reference in this report contains both historical information and "forward-looking statements" (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) or "forward-looking information" (within the meaning of applicable Canadian securities laws) (collectively referred to herein as "forward-looking statements") that may state our intentions, hopes, beliefs, expectations or predictions for the future.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause our actual financial results, performance or achievements to be materially different from those expressed or implied herein and many of which are outside our control.

Forward-looking statements involve risks and uncertainties, as well as assumptions, including those set out herein, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause our results to differ materially from those expressed or implied by such forward-looking statements. The words "believe," "anticipate," "expect," "intend," "estimate," "plan," "may," "could" and other similar expressions that are predictions of or indicate future events and future trends, which do not relate to historical matters, identify forward-looking statements. Any such forward-looking statements are not intended to provide any assurances as to future results.

Numerous factors could cause actual results to differ materially from those described in the forward-looking statements, including, without limitation:

- continued delay or failure by the Bolivarian Republic of Venezuela ("Venezuela") to make payments or otherwise honor its commitments under the settlement agreement whereby Venezuela agreed to pay us damages pursuant to an International Centre for the Settlement of Investment Disputes ("ICSID") judgment totaling $713 million in damages, plus pre-award interest and legal costs and expenses (the "Award") and purchase our mining data, previously compiled in association with our development of the Brisas Project (the "Mining Data") for $792 million and $240 million, respectively, for a total of approximately $1.032 billion (as amended, the "Settlement Agreement");
- risk that the Company may be unable to access current or future amounts deposited into a trust account for the benefit of the Company at Banco de Desarrollo Económico y Social de Venezuela ("Bandes Bank") (the "Trust Account") which have been blocked as a result of the US Treasury Department's Office of Foreign Assets Control ("OFAC") designation of Bandes Bank as a Specially Designated National ("SDN") pursuant to an Executive Order ("EO"). As a result of the Bandes Bank designation, the Company recorded an impairment loss on the current balance of the trust of approximately $21.5 million;
- delay or failure by Venezuela to honor its commitments associated with the formation and operation of Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera") which holds certain gold, copper, silver and other strategic mineral rights within Venezuela's Bolivar State which includes the historical Brisas and Cristinas areas (referred to as the "Siembra Minera Project") including risks associated with the ability of the Company and Venezuela to (i) successfully overcome legal or regulatory obstacles to operate Siembra Minera for the purpose of developing the Siembra Minera Project, (ii) complete any additional definitive documentation and finalize any remaining governmental approvals and (iii) obtain financing to fund the capital costs of the Siembra Minera Project;
- risks associated with the current or future sanctions by the U.S., Canada or other jurisdictions which generally prohibit the Company and its management or its employees from dealing with certain Venezuelan individuals and entities or entering into certain financial transactions (the "Sanctions") and which may negatively impact our ability to freely receive funds from Venezuela, either from the Trust Account or the remaining funds owed by Venezuela or our ability to do business in Venezuela;
- risks that U.S. and Canadian government agencies that enforce Sanctions may not issue licenses that the Company may need to engage in certain Venezuela-related transactions;
- risks that any future Venezuelan administration will void or otherwise fail to respect the agreements of the prior administration;
- risks associated with the collection of the Award and concentration of our operations and assets in Venezuela which are and will be subject to risks specific to Venezuela, including the effects of political, economic and social developments, instability and unrest; international response to Venezuelan domestic and international policies; Sanctions by U.S., Canadian or other jurisdictions and potential invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights either by the existing or future regimes;
- risks associated with our ability to resume our efforts to enforce and collect the Award, including the associated costs of such enforcement and collection effort and the timing and success of that effort, if Venezuela fails to make payments under the Settlement Agreement, it is terminated and further efforts related to the Settlement Agreement are abandoned;
- the risk that the conclusions of management and its qualified consultants contained in the Preliminary Economic Assessment of the Siembra Minera Gold Copper Project in accordance with Canadian National Instrument 43-101-*Standards of Disclosure for Mineral Projects* ("NI 43-101") may not be realized in the future;
- risks associated with the distribution of approximately $75 million in the aggregate to holders of Class A shares as a return of capital (the "Return of Capital Transaction") that has been approved by our board of directors (the "Board") including risks related to our ability to receive required approvals from our shareholders, the Court and the TSXV and the risk that our Board may determine not to move forward with the Return of Capital Transaction if it determines it is no longer in the best interests of the Company and its shareholders;
- risks associated with exploration, delineation of adequate reserves, regulatory and permitting obstacles and other risks associated with the development of the Siembra Minera Project;
- risks associated with our continued ability to service outstanding obligations as they come due and access future additional funding, when required, for ongoing liquidity and capital resources, pending the receipt of payments under the Settlement Agreement or collection of the Award in the courts;
- risks associated with our prospects in general for the identification, exploration and development of mining projects and other risks normally incident to the exploration, development and operation of mining properties, including our ability to achieve revenue producing operations in the future;
- shareholder dilution resulting from the future sale of additional equity, if required;
- value realized from the disposition of the remaining assets related to our previous mining project in Venezuela known as the "Brisas Project", if any;
- abilities of and continued participation by certain employees; and
- impact of current or future U.S., Canadian and/or other jurisdiction's tax laws to which we are or may be subject

See “Risk Factors” contained in our Annual Information Form and Annual Report on Form 40-F filed on www.sedar.com and www.sec.gov, respectively for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in our affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with the U.S. Securities and Exchange Commission (the "SEC") or other securities regulators or presented on the Company's website. Forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this notice. We disclaim any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to our disclosure obligations under applicable U.S. and Canadian securities regulations. Investors are urged to read the Company's filings with U.S. and Canadian securities regulatory agencies, which can be viewed online at www.sec.gov and www.sedar.com, respectively.

SIGNATURE

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.

Dated: May 10, 2019

GOLD RESERVE INC. (Registrant)

By: /s/ Robert A. McGuinness
Robert A. McGuinness, its Vice President of Finance,
Chief Financial Officer and its Principal Financial and Accounting Officer

EXHIBIT 99.1

GOLD RESERVE INC.

999 W. Riverside Ave., Suite 401,
Spokane, WA 99201

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of Class A common shares (the "**Class A Shares**") of GOLD RESERVE INC. (the "**Company**") will be held at 999 W. Riverside Avenue, 7th Floor, Masthead Suite, Spokane, Washington, USA on June 13, 2019 at 9:30 a.m. (Pacific daylight time) for the following purposes:

(1) to elect directors of the Company to hold such positions until the next annual meeting of Shareholders or until their successors are elected and have qualified;

(2) to appoint PricewaterhouseCoopers LLP as auditors of the Company and to authorize the directors of the Company to fix their remuneration;

(3) to receive the financial statements of the Company for the year ended December 31, 2018, together with the report of the auditors thereon;

(4) to consider, pursuant to an interim order of the Alberta Court of Queen's Bench dated April 16, 2019, and, if deemed advisable, to approve, with or without amendment, a special resolution approving a plan of arrangement pursuant to Section 193 of the *Business Corporations Act* (Alberta), as described in the accompanying management information circular (the "**Circular**"); and

(5) to conduct any other business as may properly come before the meeting or any adjournment or postponement thereof.

Registered Shareholders who are unable to attend the Meeting or any adjournment or postponement thereof in person and who wish to ensure that their Class A Shares will be voted are requested to complete, sign and mail the enclosed form of proxy to Proxy Services, c/o Computershare Investor Services, P.O. Box 505008, Louisville, KY 40233. Proxies must be received not later than 48 hours preceding the Meeting or any adjournment or postponement thereof. A form of proxy, proxy statement/information circular, supplemental mailing list return card and a copy of the Company's 2018 Annual Report (the "**2018 Annual Report**") accompany this Notice of Annual General and Special Meeting of Shareholders.

Non-registered Shareholders (for example, those Shareholders who hold Class A Shares in an account with an intermediary), should follow the voting procedures described in the voting instruction form provided by such intermediary or call the intermediary for information as to how to vote their Class A Shares. For further information with respect to Shareholders who own Class A Shares through an intermediary, see "*Voting by Non-Registered Shareholders*" in the accompanying Circular.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular.

This Notice of Annual General and Special Meeting of Shareholders, the 2018 Annual Report and Supplemental Mailing List Return Card are being mailed or made available to Shareholders entitled to vote at the Meeting, on or about May 9, 2019.

The Board of Directors has fixed the close of business on April 24, 2019 as the record date for the determination of Shareholders entitled to notice of the Meeting and any adjournment or postponement thereof.

DATED this 30th day of April 2019

BY ORDER OF THE DIRECTORS

Rockne J. Timm
Chief Executive Officer

GOLD RESERVE INC.

MANAGEMENT INFORMATION CIRCULAR

MANAGEMENT SOLICITATION OF PROXIES

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of GOLD RESERVE INC. (the "Company") to be voted at the Annual General and Special Meeting of Shareholders of the Company (the "Meeting") to be held on Thursday, the 13th day of June 2019 at 9:30 a.m. (Pacific daylight time), at 999 W. Riverside Avenue, 7th Floor Masthead Suite, Spokane, Washington, USA and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders. The solicitation of proxies will be primarily by mail but proxies may also be solicited personally or by telephone or by other means of communication by employees of the Company on behalf of management of the Company. Employees will not receive any extra compensation for such activities. The Company may pay brokers, nominees or other persons holding Class A common shares of the Company (the "Class A Shares") in their name for others for their reasonable charges and expenses in forwarding proxies and proxy materials to beneficial owners of such Class A Shares, and obtaining their proxies. The Company may also retain independent proxy solicitation agents to assist in the solicitation of proxies for the Meeting. The cost of solicitation by management will be borne by the Company. Except where otherwise stated, the information contained herein is given as of the 30th day of April 2019.

The Notice of Annual General and Special Meeting of Shareholders, Circular and the Company's 2018 Annual Report (the "**2018 Annual Report**") are also available for review on the Company's website at www.goldreserveinc.com under "2019 Annual Shareholder Meeting" and under the Company's profile on SEDAR at www.sedar.com.

CURRENCY

Unless otherwise indicated, all currency amounts referred to herein are stated in U.S. dollars.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the enclosed form of proxy are directors and/or officers of the Company. **A Shareholder (as defined below) submitting a proxy has the right to appoint a person or company, who need not be a Shareholder, to represent the Shareholder at the Meeting other than the persons designated in the form of proxy furnished by the Company. To exercise this right, the Shareholder may either (i) insert the name of the desired representative in the blank space provided in the form of proxy attached to this Circular or (ii) submit another appropriate form of proxy permitted under applicable law**.

The completed proxy will be deemed valid when deposited at the office of Proxy Services, c/o Computershare Investor Services, P.O. Box 505008, Louisville, KY 40233 not later than 48 hours preceding the Meeting or any adjournment or postponement thereof, or with the Chairman of the Meeting immediately prior to the commencement of the Meeting or any adjournment or postponement thereof, otherwise the instrument of proxy will be invalid.

See "*Voting by Non-Registered Shareholders*" below for a discussion of how non-registered Shareholders (i.e. Shareholders that hold their Class A Shares through an account with a bank, broker or other nominee in "street name") may appoint proxies.

You may revoke or change your proxy at any time before it is exercised at the Meeting. In the case of Shareholders appearing on the registered shareholder records of the Company, a proxy may be revoked at any time prior to its exercise by sending or depositing a written notice of revocation or another signed proxy bearing a later date to the Secretary of the Company at its principal executive office located at 999 W. Riverside Avenue, Suite 401, Spokane, Washington 99201, USA not later than 48 hours preceding the Meeting or any adjournment or postponement thereof. You may also revoke your proxy by giving notice or by voting in person at the Meeting; your attendance at the Meeting, by itself, is not sufficient to revoke your proxy. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

Shareholders that hold their Class A Shares through an account with a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee in revoking their previously deposited proxies.

EXERCISE OF DISCRETION BY PROXIES

The Class A Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Class A Shares will be voted accordingly. IN THE ABSENCE OF SUCH CHOICE BEING SPECIFIED, SUCH CLASS A COMMON SHARES WILL BE VOTED "FOR" THE MATTERS SPECIFICALLY IDENTIFIED IN THE NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS ACCOMPANYING THIS CIRCULAR.

The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested**. If any other matters are properly presented for consideration at the Meeting, or if any of the identified matters are amended or modified, the individuals named as proxies on the enclosed form of proxy will vote the Class A Shares that they represent on those matters as recommended by management. If management does not make a recommendation, then they will vote in accordance with their best judgment.** At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Annual General and Special Meeting of Shareholders.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company's issued and outstanding shares consist of Class A Shares. Holders of Class A Shares (the "Shareholders") are entitled to one vote per share and will vote on all matters to be considered and voted upon at the Meeting or any adjournment or postponement thereof. The Company has set the close of business on April 24, 2019 (the "**Record Date**") as the record date for the Meeting. As of the Record Date and the date hereof, there were 99,395,048 issued and outstanding Class A Shares.

The Company will prepare a list of Shareholders of record at such time. Shareholders will be entitled to vote the Class A Shares then registered in their name at the Meeting except to the extent that (a) the holder has transferred the ownership of any of his Class A Shares after that date, and (b) the transferee of those Class A Shares, in accordance with the *Business Corporations Act* (Alberta) (the "**ABCA**"), produces properly endorsed share certificates, or otherwise establishes that he owns the Class A Shares, and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list

of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Class A Shares at the Meeting or any adjournment or postponement thereof.

To the knowledge of the directors and executive officers of the Company, as of the Record Date, the only persons, firms or corporations that beneficially owned, or exercised control or direction, directly or indirectly, over more than 10% of the voting rights attached to the Class A Shares were:

Shareholder Name	Number of Class A Shares Held	Percentage of Class A Shares Issued [1]
Steelhead Partners, LLC	**10,499,924 [2]**	**10.6 %**
Greywolf Capital Management LP [3]	**26,454,256**	**26.6 %**
Greywolf Event Driven Master Fund.	6,380,948	6.4 %
Greywolf Overseas Intermediate Fund	5,434,228	5.5 %
Greywolf Strategic Master Fund SPC, Ltd. – MSP9	11,771,916	11.8 %
Greywolf Strategic Master Fund SPC, Ltd. – MSP5	2,867,164	2.9 %

(1) Based on the number of Class A Shares outstanding on the Record Date.

(2) Mr. Johnston is a member and portfolio manager of Steelhead Partners, LLC, which acts as investment manager of Steelhead Navigator Master, L.P. and another client account that together hold 10,499,924 Class A Shares. As such, Mr. Johnston may be deemed to beneficially own the shares owned by these client accounts in that he may be deemed to have the power to direct the voting or disposition of these shares. Otherwise, Mr. Johnston disclaims beneficial ownership of these securities.

(3) The number of Class A Shares held is based on publicly available information filed with the U.S. Securities and Exchange Commission (the "**SEC**") by Greywolf Capital Management LP last filed on August 23, 2017.

A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than five percent (5%) of the outstanding shares of the Company carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Company entitled to vote at any meeting of shareholders, the quorum for the transaction of business at the meeting of shareholders shall consist of the one shareholder. Except in connection with the Return of Capital Transaction (as defined herein) and as may otherwise be stated in this Circular, the affirmative vote of a majority of the votes cast with respect to an item or proposal at the Meeting (an ordinary resolution) is required to approve all items presented in this Circular.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered Shareholders at the close of business on the Record Date or the persons they designate as their proxies are permitted to vote at the Meeting. In many cases, however, the Class A Shares owned by a person (a "non-registered holder") are registered either: (a) in the name of an intermediary (an "Intermediary") that the non-registered holder deals with in respect of the Class A Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of this Circular and the accompanying Notice of Annual General and Special Meeting of Shareholders and form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to non-registered holders of Class A Shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive the Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under the heading "Appointment and Revocation of Proxies"; or

(b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically, the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Class A Shares they beneficially own. **Should a non-registered Shareholder who receives either form of proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the non-registered Shareholder), the non-registered Shareholder should strike out the persons named in the form of proxy and insert the non-registered Shareholder's name, or such other person's name, in the blank space provided. Non-registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.**

A non-registered Shareholder may revoke a form of proxy or Voting Instruction Form given to an Intermediary by contacting the Intermediary through which the non-registered Shareholder's Class A Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or Voting Instruction Form, the written notice should be received by the Intermediary well in advance of the Meeting.

Under applicable Canadian securities laws, non-registered shareholders or "beneficial" shareholders are either "objecting beneficial owners" or "OBOs", who object to the disclosure by Intermediaries of information about their ownership in the Company, or "non-objecting beneficial owners" or "NOBOs", who do not object to such disclosure. The Company is not sending the Meeting Materials (including any request for voting instructions made by an Intermediary) directly to NOBOs and does not intend to pay for proximate intermediaries to send such materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless the Intermediary assumes the costs of delivery.

NOTICE TO U.S. SHAREHOLDERS

The Return of Capital Transaction (as defined herein) is being implemented by the Company, which is a Canadian issuer. While the Return of Capital Transaction is subject to the disclosure requirements of the Province of Alberta and the other provinces of Canada, U.S. Shareholders should be aware that these disclosure requirements are different from those of the United States.

The enforcement by Shareholders of civil liabilities under U.S. federal securities laws may be adversely affected by the fact that the Company is continued under the provincial laws of Alberta, Canada, that certain directors and officers are non-residents of the United States, that some of the experts named in this Circular are non-residents of the United States and that some of the assets of the Company and said persons are located outside the United States. It may be difficult to effect service of process on the Company, its officers and directors and the experts named in this Circular. Additionally, it might be difficult for Shareholders to enforce judgments of United States courts based on civil liability provisions of the U.S. federal securities laws or the securities or other laws of any state within the United States in a Canadian court against the Company or any non-U.S. resident directors, officers or the experts named in this Circular or to bring an original action in a Canadian court to enforce liabilities based on the U.S. federal or state securities laws against such persons.

The issuance of Class A Shares pursuant to the Return of Capital Transaction will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and will be made in reliance on Section 3(a)(10) of the U.S. Securities Act.

Section 3(a)(10) of the U.S. Securities Act exempts from registration the offer and sale of a security which is issued in exchange for outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or governmental authority expressly authorized by law to grant such approval. In connection with the hearing for the Interim Order (as defined herein), the Alberta Court of Queen's Bench (the "**Court**") was informed that the Final Order (as defined herein) will also constitute the basis for an exemption from registration under the U.S. Securities Act for the Class A Shares to be issued pursuant to the Return of Capital Transaction pursuant to Section 3(a)(10) of the U.S. Securities Act. Shareholders are entitled to appear before the Court in connection with their consideration of the Arrangement (as defined herein).

U.S. Shareholders should be aware that the Return of Capital Transaction may have certain tax consequences under United States and Canadian law. See the sections entitled "*Item 4 – Return of Capital Transaction – Income Tax Considerations of the Return of Capital Transaction – Certain Canadian Federal Income Tax Considerations*" and "*Item 4 – Return of Capital Transaction – Income Tax Considerations of the Return of Capital Transaction Certain U.S. Federal Income Tax Considerations*" below in this Circular. Shareholders should consult their own tax advisors with respect to their particular circumstances and tax considerations applicable to them.

BUSINESS OF THE MEETING

Item 1 – Election of Directors

The articles of the Company provide that the Board of Directors (the "**Board**") shall consist of a minimum of three and a maximum of 15 directors, with the actual number of directors to be determined from time to time by the Board. The Company's Board presently consists of seven members and Shareholders are being asked to elect seven members to the Board.

The Board has held 12 meetings since the beginning of the most recently completed financial year, all of which were attended in person or by phone by all directors.

The by-laws of the Company provide that each director shall be elected to hold office until the next annual meeting of the Company's Shareholders or until their qualified successors are elected. All of the current directors' terms expire on the date of the Meeting and it is proposed by management that each of them be re-elected to serve until the next annual meeting of Shareholders, or until their qualified successors are elected, unless they resign or are removed from the Board in accordance with the by-laws of the Company.

The following table and the notes thereto state the name and residence of all of the persons proposed to be nominated by management for election as directors, their principal occupations, the period or periods of service as directors of the Company, the approximate number of Class A Shares beneficially owned, controlled or directed, directly or indirectly, by each of them as at the date hereof and the committees of the Board of which they are a member.

Shareholders can vote for all of the directors, vote for some of them and withhold votes for others, or withhold votes for all of them.

Management recommends that you vote FOR the election of each of the directors below.

Name and Place of Residence	Principal Occupation	Director of Gold Reserve Inc. since	Shares Beneficially Owned or Controlled	Member of Committee
James H. Coleman, Q.C. Calgary, Alberta, Canada	Mr. Coleman is the executive chairman of the Company, director of Gold Reserve Corporation since 1994, and a lawyer and a senior partner with the law firm of Norton Rose Fulbright Canada LLP. He has extensive international industry and public company experience as a result of his membership on the Board for over 24 years and on the boards of directors of other issuers such as Avion Gold Corporation and Endeavour Mining Corporation. He has also been a director of Siembra Minera (as defined herein) since 2016, Great Basin Energies Inc. since 1996 and MGC Ventures, Inc. since 1997 as well as Energold Drilling Corp. since 1994.	1994	780,588	Executive Committee Legal Committee Nominating Committee (Chair) Barbados Committee

Name and Place of Residence	Principal Occupation	Director of Gold Reserve Inc. since	Shares Beneficially Owned or Controlled	Member of Committee
Rockne J. Timm Spokane, Washington, USA	Mr. Timm has been a director of the Company for over 30 years and the chief executive officer of the Company for 29 years. Prior to his involvement with the Company, he was the chief financial officer and vice president of finance of a mining company with six producing gold mines. Mr. Timm is also the president and director of Gold Reserve Corporation, chief executive officer of GR Mining (Barbados) Inc. and GR Procurement (Barbados) Inc. since 2016. Mr. Timm has also been a director of Siembra Minera since 2016. In addition, Mr. Timm has been a director of Great Basin Energies, Inc. since 1981 and MGC Ventures, Inc. since 1989.	1984	1,530,040	Executive Committee (Chair) Legal Committee
A. Douglas Belanger Spokane, Washington, USA	Mr. Belanger is a geologist with significant industry experience who has been a director of the Company for 29 years and the president of the Company for 13 years. Mr. Belanger also served as executive vice president from 1988 through 2004. He is also the executive vice president and director of Gold Reserve Corporation since 1988, a director of Siembra Minera, director and president of GR Mining (Barbados) Inc. and GR Procurement (Barbados) Inc. since 2016 and GR Mining Group (Barbados) Inc. since 2018, (the “Barbados Subsidiaries”). He has been executive vice president and director of Great Basin Energies Inc. since 1984 and MGC Ventures, Inc. since 1997. Mr. Belanger has also been a policy analyst for the Canadian federal government and a gold mining analyst for two major Canadian investment banks. Prior to his involvement with the Company, he was also an officer of a mining company with six producing gold mines.	1988	1,700,940	Executive Committee Mining Committee Financial Markets Committee Barbados Committee (Chair)

Name and Place of Residence	Principal Occupation	Director of Gold Reserve Inc. since	Shares Beneficially Owned or Controlled	Member of Committee
James P. Geyer Spokane, Washington USA	Mr. Geyer, who has a Bachelor of Science in Mining Engineering, has been a director of the Company for 20 years and has significant operating and mine project experience in gold and copper operations around the world as well as public company experience as a result of his roles with the Company, Wheaton River Minerals Ltd., USMX Inc., Thompson Creek Metals Company Inc. (“Thompson Creek”) (during which time Thompson Creek constructed and commission the Mount Milligan Mine) and Stonegate Agricom Ltd. Prior to the expropriation of the Brisas Project by Venezuela, Mr. Geyer was the Senior Vice President of the company responsible for the development of the Brisas Project. Mr. Geyer also led the analysis on behalf of the Company of the Brisas Cristinas Project. Mr. Geyer has considerable knowledge of the Brisas Cristinas Project and extensive experience with mining regulations in Venezuela.	1997	407,473	Audit Committee Compensation Committee Mining Committee (Chair)
Jean Charles Potvin Toronto, Ontario, Canada	Mr. Potvin holds a Hon. BSc. in geology as well as an MBA and has been a director of the Company for almost 25 years and is also a director of Gold Reserve Corporation since 1993, Murchison Minerals Ltd. (formerly Flemish Gold Corp.) and a director and chairman of the audit committee of Azimut Exploration Ltd. a publicly listed mineral exploration company. Mr. Potvin has been a key member of the Company’s Audit Committee for almost 15 years. Mr. Potvin also has nearly 14 years’ experience as a top-ranked mining investment analyst at Burns Fry Ltd. (now BMO Nesbitt Burns Inc.). Mr. Potvin was also a founder and the chief executive officer of an international mineral exploration company that was acquired in a friendly transaction by one of the largest gold companies in the world. Mr. Potvin has extensive mineral development experience in Canada, Central and South America as well as Africa.	1993	316,672	Compensation Committee (Chair) Audit Committee (Chair) Nominating Committee Mining Committee Financial Markets Committee (Chair)

Name and Place of Residence	Principal Occupation	Director of Gold Reserve Inc. since	Shares Beneficially Owned or Controlled	Member of Committee
Robert A. Cohen Becket. Massachusetts USA	Mr. Cohen retired as of October 1, 2016 from his position as a litigation partner in the international law firm Dechert LLP, and its predecessor firms, in the New York office.	2017	-	Nominating Committee Legal Committee (Chair)
James Michael Johnston Seattle, Washington, USA	Mr. Johnston co-founded Steelhead Partners LLC in late 1996 to form and manage the Steelhead Navigator Fund. Prior, as senior vice president and senior portfolio manager at Loews Corporation, Michael co-managed over $5 billion in corporate bonds and also managed an equity portfolio. He began his investment career at Prudential Insurance as a high yield and investment-grade credit analyst. Michael was promoted to co-portfolio manager of an $11 billion fixed income portfolio in 1991. He graduated with honors from Texas Christian University with a degree in finance and completed his MBA at the Johnson Graduate School of Business at Cornell University.	2017	10,499,924 (1)	Audit Committee Compensation Committee

(1) Mr. Johnston is the managing member of Steelhead Partners, LLC, which acts as investment manager of Steelhead Navigator Master, L.P. and another client account that together hold 10,499,924 Class A Shares. As such, Mr. Johnston may be deemed to beneficially own the shares owned by these client accounts in that he may be deemed to have the power to direct the voting or disposition of these shares. Otherwise, Mr. Johnston disclaims beneficial ownership of these securities.

Other Executive Officers

Robert A. McGuinness, Vice President of Finance, Chief Financial Officer

Mr. McGuinness' principal occupation with the Company is as vice president of finance since March 1993 and chief financial officer since June 1993. He also serves as vice president of finance for Gold Reserve Corporation since 1993, vice president of finance and director of GR Mining (Barbados) Inc. and GR Procurement (Barbados) Inc. since 2016, vice president of finance and director of GR Mining Group (Barbados) Inc. since 2018, vice president of finance, chief financial officer and treasurer of Great Basin Energies, Inc. and MGC Ventures, Inc. since 1997. Mr. McGuinness resides in Spokane, Washington, USA.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No proposed director of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

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

Other than as disclosed below, no proposed director of the Company or any personal holding company of such person has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Coleman served as a director of Petrowest Corporation ("**Petrowest**") until May 18, 2017. On August 15, 2017 the banking syndicate of Petrowest obtained an order from the Alberta Court of Queen's Bench to place Petrowest into receivership.

Item 2 – Appointment of Independent Auditors

It is proposed that the firm of PricewaterhouseCoopers LLP be appointed by the Shareholders as independent certified public accountants to audit the financial statements of the Company for the year ending December 31, 2019 and that the Board be authorized to fix the auditors' remuneration. PricewaterhouseCoopers LLP were first appointed auditors of the Company in 1992. Representatives of PricewaterhouseCoopers LLP are not expected to be present at the Meeting.

Management recommends that you vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's independent auditors at a remuneration to be fixed by the Board.

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's independent auditors at a remuneration to be fixed by the Board.

Item 3 – Consolidated Financial Statements

A copy of the consolidated financial statements of the Company for the year ended December 31, 2018 (the "**Financial Statements**") and the report of the Company's independent auditors on the Financial Statements are included in the 2018 Annual Report and will be submitted at the Meeting. Copies of the Financial Statements can also be obtained on www.sec.gov and www.sedar.com. Shareholders are not being asked to vote on the receipt of the Financial Statements.

Item 4 – Return of Capital Transaction

Background to and Reasons for the Return of Capital Transaction

In July 2016, the Company signed a settlement agreement, subsequently amended (the "**Settlement Agreement**"), whereby the Bolivarian Republic of Venezuela ("**Venezuela**") agreed to pay the Company $1.032 billion to satisfy the award (including interest) granted in the Company's favour by the International Centre for Settlement of Investment Disputes (the "**ICSID Award**") and to purchase mining data related to the Company's Brisas Project (the "**Mining Data**"). The ICSID Award has been recognized in courts of the United States, the United Kingdom, France and Luxembourg and is not appealable by Venezuela.

To date, the Company has received approximately $254 million under the terms of the Settlement Agreement, of which $240 million is attributable to the sale of the Mining Data. Approximately $778 million remains to be paid by Venezuela. Of the amount due, approximately $413 million was in arrears

as of April 15, 2019, and if the Company determines an event of default, interest will accrue commencing July 2016 at LIBOR plus 2% on all unpaid amounts and the Company may recommence enforcement and collection of the ICSID Award.

On March 8, 2019, the Board met to consider whether to distribute a portion of the funds received pursuant to the Settlement Agreement. The Board reviewed the balance sheet of the Company and considered likely expenses to be incurred and possible expenses of enforcement proceedings and development expenses for the Brisas Project to be carried out by the project's operating company, Empresa Mixta Ecosocialista Siembra Minera, S.A. ("**Siembra Minera**"). After deliberation, the Board determined that the Company would be able to distribute a minimum of $90 million to Shareholders. The Board then considered the best means of effecting such a distribution and considered a number of alternatives. After deliberation, the Board decided that a return of capital transaction (the "**Return of Capital Transaction**") would be in the best interests of the Company and its Shareholders, and approved proceeding with it.

In considering whether the Return of Capital Transaction would be in the best interests of the Company and its Shareholders, the Board gave careful consideration to a number of factors, including, without limitation, the following:

- the Return of Capital Transaction facilitates the distribution on a timely and efficient basis of a substantial portion of the remaining proceeds received under the Settlement Agreement to date, after satisfying certain of the Company's obligations, including with respect to its previously outstanding convertible notes, outstanding contingent value rights and Retention Units and Bonus Plan (each as defined herein). It also fulfils the Company's obligation to make such distribution under the restructuring agreement entered into with certain of the Company's Shareholders in connection with the refinancing of outstanding convertible notes;

- the Return of Capital Transaction provides for the most tax efficient treatment for all Shareholders;

- the Return of Capital Transaction permits the distribution of cash on a basis that is generally expected to be tax-free for Canadian income tax purposes and will not require any withholdings to be made for Canadian tax purposes;

- after implementing the Return of Capital Transaction, the Company will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and will continue to have sufficient financial resources to pursue its foreseeable or planned business and strategic opportunities, including any potential enforcement proceedings necessary to collect the balance of the amounts due under the Settlement Agreement or recommence enforcement of the ICSID Award;

- the Arrangement (as defined below) must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Return of Capital Transaction to all Shareholders; and

- the Return of Capital Transaction is not expected to adversely affect the liquidity of the Class A Shares.

The foregoing summary of the factors considered by the Board is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its determination to proceed with the Return of Capital Transaction, the Board did not find it practical to,

and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion.

On March 20, 2019, the Board approved the distribution of an amount between $0.91 and $1.01 per Class A Share, or between $90 million and $100 million in the aggregate, to Shareholders pursuant to the Return of Capital Transaction. In connection therewith, the Board authorized the Executive Committee, consisting of Messrs. Coleman, Belanger and Timm, to make a final determination as to the amounts to be distributed on a per Class A Share basis and in the aggregate.

Following the imposition of sanctions on 43 additional individuals by the Government of Canada on April 15, 2019 pursuant to the *Special Economic Measures (Venezuela) Regulations* of the *Special Economic Measures Act*, the Board determined that it was in the best interests of the Company and the Shareholders to reduce the aggregate amount of capital to be returned to Shareholders pursuant to the Return of Capital Transaction to approximately $75 million, or $0.76 per Class A Share.

As result of the additional sanctions imposed by the Government of Canada, the Company may not be able to effectively manage Siembra Minera, advance the Siembra Minera Project, or to transfer additional funds owing to the Company in connection with the Settlement Agreement from Venezuela through international financial institutions to Canada in the near term. At this time, the Company intends to distribute $75 million pursuant to the Return of Capital Transaction from cash on hand and will continue its efforts to repatriate the funds owed to it pursuant to the Settlement Agreement to the fullest extent possible under applicable law.

The Company expects to apply for a license from the US Treasury Department's Office of Foreign Assets Control to allow the Company to pursue payments under the Settlement Agreement and allow international financial institutions to facilitate such transactions without violating Canadian and US sanctions on Venezuela.

Recommendation of the Board of Directors

The Board has determined that the Arrangement is in the best interests of the Company and unanimously recommends that Shareholders vote to approve the Arrangement.

Terms of the Arrangement

Overview

The Return of Capital Transaction will be effected pursuant to an arrangement transaction (the "**Arrangement**") in accordance with a plan of arrangement (attached as Appendix D to this Circular) (the "**Plan of Arrangement**") pursuant to section 193 of the ABCA. Subject to obtaining the requisite Shareholder approval, obtaining the Final Order (as defined below) from the Court, obtaining TSXV approval, and filing of articles of arrangement, the Arrangement will become effective on or about June 14, 2019 (the "**Effective Date**").

Essentially, the Arrangement consists of a cash distribution of approximately $0.76 per Class A Share (the "**Cash Distribution Per Share**"), or approximately $75 million in the aggregate (the "**Aggregate Cash Distribution Amount**").

The Return of Capital Transaction will be implemented through the following series of steps, which will occur at 12:01 a.m. (Pacific daylight time) (the "**Effective Time**") on the Effective Date and will not require any action to be taken by Shareholders:

- Articles of Continuance will be amended to create an unlimited number of Class C common shares (the "**Class C Shares**");

· each issued and outstanding Class A Share will be exchanged for (i) the Cash Distribution Per Share, and (ii) one Class C Share, and the Class A Shares so exchanged will be cancelled;

· in connection with the exchange of Class A Shares for the Cash Distribution Per Share and Class C Shares, the Company will deduct from the stated capital of the Class A Shares an amount equal to the aggregate stated capital, immediately before the exchange, of the Class A Shares;

· the Company will add to the stated capital account of the Class C Shares an amount in Canadian dollars equal to the difference between (i) the aggregate paid-up capital (as defined for the purposes of *Income Tax Act* (Canada) (the "**Tax Act**")) ("**PUC**") of the Class A Shares immediately before the exchange, and (ii) the Aggregate Cash Distribution Amount as converted into Canadian dollars using the average daily exchange rate as reported by the Bank of Canada on the Effective Date;

· each Class C Share will be exchanged for one new Class A Share, and the Class C Shares so exchanged will be cancelled;

· in connection with the exchange of Class C Shares for Class A Shares, the Company will deduct an amount equal to the aggregate stated capital of the Class C Shares immediately before the exchange from the stated capital of the Class C Shares and the Company will add that amount to the stated capital of the Class A Shares in respect of the Class A Shares that are issued in exchange for the Class C Shares; and

· the Company's Articles of Continuance will be amended to delete the amendments made to the authorized capital of the Company pursuant to the Plan of Arrangement, such that the articles, as so amended, will read as they read immediately before the Effective Time.

The issuance of the shares pursuant to the Return of Capital Transaction will not be registered under the U.S. Securities Act and will be made in reliance on Section 3(a)(10) of the U.S. Securities Act. Section 3(a)(10) of the U.S. Securities Act exempts from registration the offer and sale of a security which is issued in exchange for outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or governmental authority expressly authorized by law to grant such approval. In connection with the hearing for the Interim Order, the Court was informed that the Final Order will also constitute the basis for an exemption from registration under the U.S. Securities Act for the shares to be issued pursuant to the Return of Capital Transaction pursuant to Section 3(a)(10) of the U.S. Securities Act. Shareholders are entitled to appear before the Court in connection with their consideration of the Arrangement. For more information, see the "*Court Approval of the Arrangement – Final Order*" section of this Circular below.

Treatment of Equity-Based Awards

The Company does not expect that the Return of Capital Transaction will affect the number or value of outstanding equity-based awards, including stock options. Accordingly, equity-based awards outstanding at the Effective Time are expected to be based on the same terms and conditions as were applicable immediately prior to the Effective Time without the need for any adjustments.

Exchange Procedure

On or immediately prior to the Effective Date, the Company will deposit or cause to be deposited with the Depositary the Aggregate Cash Distribution Amount and the Class A Shares that Shareholders are entitled to receive under the Arrangement. The Class A Shares and cash deposited with the Depositary

shall be held by the Depositary as agent and nominee for the Shareholders in connection with the distributions to be made pursuant to the Return of Capital Transaction.

Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented one or more Class A Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary or the Company may reasonably require, the registered holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder as soon as practicable following the Effective Time, a new DRS statement (or share certificate), reflecting the new CUSIP for the Class A Shares, representing the Class A Shares such holder is entitled to receive under the Arrangement. Unless indicated in a Shareholder's Letter of Transmittal, each Shareholder will receive a new DRS statement instead of a new physical share certificate reflecting the share exchange. Until such documents are received by the Depositary and a registered Shareholder receives a new DRS statement (or share certificate) representing its Class A Shares reflecting the new CUSIP for the Class A Shares, share certificates outstanding on the Effective Date will represent the Class A Shares that the registered Shareholder is entitled to hold following the Effective Time. A registered Shareholder will not be able to sell or otherwise transfer its Class A Shares unless it obtains a new DRS statement (or share certificate) representing its Class A Shares following the Arrangement.

Registered Shareholders holding their Class A Shares through DRS are required to submit a duly completed and executed Letter of Transmittal. The Company's transfer agent, Computershare Trust Company of Canada, will update such Shareholder's DRS position to reflect the number of Class A Shares such holder is entitled to receive under the Arrangement and such Shareholder will be entitled to receive a new DRS statement.

As soon as practicable after the receipt by the Depositary of a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary or the Company may reasonably require, the Depositary shall deliver to each registered Shareholder a cheque for the portion of the Aggregate Cash Distribution Amount that it is entitled to receive as a result of the return of capital. A registered Shareholder may instead request that this amount be paid by wire payment and must properly complete any documents and take all action that the Depositary may reasonably require in connection with such request. The Depositary has informed us that they will charge a banking fee of approximately C$100 in connection with any wire transfer. Non-registered Shareholders will receive the distribution through their intermediary.

If you are a non-registered Shareholder, the effects of the Arrangement will be recorded in your account by your intermediary. You should contact your intermediary if you have any questions regarding this process.

DRS Statements

DRS is a system that allows registered Shareholders to hold their Class A Shares in "book-entry" form without having physical share certificates issued as evidence of ownership. Instead, Class A Shares will be held in the name of registered Shareholders and registered electronically in the Company's share register, which will be maintained by the Company's transfer agent. The first time the Class A Shares are recorded under DRS (upon completion of the exchange) for registered Shareholders who currently hold share certificates, such Shareholders will receive an initial DRS statement acknowledging the number of Class A Shares held in their DRS account. Any time that there is movement of shares into or out of a registered Shareholder's DRS account, an updated DRS statement will be mailed. Registered Shareholders may request a statement at any time by contacting the Company's transfer agent. There is no fee to participate in DRS and dividends will not be affected by DRS.

Currency

The Aggregate Cash Distribution Amount will be denominated in U.S. dollars. The Depositary's currency exchange services will be used to convert the portion of the Aggregate Cash Distribution Amount that each registered Shareholder is entitled to receive based on the address of record of such Shareholder. Each registered Shareholder with an address within the U.S. or any other country outside of Canada will receive payment in U.S. dollars. Each registered Shareholder with an address in Canada will receive payment in Canadian dollars. There is no additional fee payable by registered Shareholders in relation to such conversions of payments.

The exchange rates that will be used to convert payments from U.S. dollars into Canadian dollars will be the rates established by Computershare Trust Company of Canada, in its capacity as the foreign exchange service provider, on the date that the funds are converted, which rates will be based on the prevailing market rates on such date. The risk of any fluctuations in exchange rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the registered Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

Non-registered Shareholders should contact their intermediary in connection with the currency of payment.

Lost, Stolen or Destroyed Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more Class A Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the registered Shareholder claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange therefor, the Class A Shares and/or the cash amount that such registered Shareholder is entitled to receive under the Arrangement. When authorizing the delivery of such Class A Shares and/or cash in exchange for any lost, stolen or destroyed certificate, the registered Shareholder to whom such Class A Shares and/or cash are being delivered shall, as a condition precedent to the delivery thereof, give a bond satisfactory to the Depositary and the Company in such sum as it or the Depositary may direct, or otherwise indemnify the Depositary and the Company in a manner satisfactory to the Depositary and the Company against any claim that may be made against the Depositary or the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

Withholding Rights

The Company and the Depositary shall be entitled to deduct and withhold from any payment, dividend, distribution or consideration otherwise payable to any registered Shareholder such amounts as the Company or the Depositary is required to deduct and withhold with respect to such payment under the Tax Act, the U.S. Internal Revenue Code of 1986, as amended, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority

Plan Amendments

The Plan of Arrangement may, at any time before or after the meeting, but not later than the Effective Time, be amended, modified and/or supplemented and any such amendment, modification or supplement will be effected in accordance with the terms of the Plan of Arrangement.

Stock Exchange Listings

The Class A Shares are listed on the TSXV under the symbol "GRZ" and the OTCQX under the symbol "GDRZF". The Class A Shares will continue to trade on the TSXV and the OTCQX when markets open on the Effective Date. Completion of the Return of Capital Transaction is subject to fulfilling all of the requirements of the TSXV.

Required Shareholder Approval

Shareholders are asked to consider and, if considered appropriate, to pass, with or without variation, the resolution attached as Appendix C to this Circular (the "**Special Resolution**"). The Special Resolution must be passed by not less than two-thirds (more than 66T%) of votes cast by Shareholders, in person or by proxy. The Board recommends that Shareholders vote to approve the Special Resolution for the reasons set out in the "Background to and Reasons for the Return of Capital Transaction" section of this Circular. It is the intention of the directors designated in the enclosed form of proxy to vote the Class A Shares in respect of which they are appointed proxy to approve the Special Resolution unless a Shareholder has specified in its proxy that the Shareholder's Class A Shares are to be voted against the Special Resolution.

Court Approval of the Arrangement

Interim Order

The Company obtained an interim order in respect of the Arrangement (the "**Interim Order**") from the Court on April 16, 2019. The Interim Order provides, among other things, that the Company is authorized to call, hold and conduct the meeting in the manner set forth in the Interim Order, and at the time and place set forth in the Notice, for the Shareholders to consider and, if deemed advisable, pass, the Special Resolution. The Interim Order is attached as Appendix E to this Circular.

Final Order

Pursuant to the ABCA, the Arrangement requires the final approval of the Court (the "**Final Order**"). If Shareholders approve the Special Resolution at the meeting, the Company expects to make an application for the Final Order at 2:00 p.m. (Calgary time) on June 13, 2019, or as soon thereafter as is reasonably practicable, before the Court at Calgary Courts Centre, 601-5th Street SW, Calgary, Alberta. At the hearing for the Final Order, approval by the Court may be granted if the Court determines that the Arrangement meets the requirements of the Interim Order and the ABCA, that nothing has been done or purported to be done that is not authorized by the ABCA, and that the Arrangement is fair and reasonable. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with those terms and conditions, if any, as the Court deems fit. The Originating Application is attached as Appendix F to this Circular.

In connection with the hearing for the Interim Order, the Court was informed that the Final Order will also constitute the basis for an exemption from registration under the U.S. Securities Act for the shares to be issued pursuant to the Return of Capital Transaction pursuant to Section 3(a)(10) of the U.S. Securities Act. Shareholders are entitled to appear before the Court in connection with their consideration of the Arrangement.

Filing of Articles of Arrangement

The Arrangement will take place on the date shown on the certificate of arrangement to be endorsed by the Director appointed under the ABCA. The Company will announce the expected Effective Date after the meeting. In the event that Shareholder approval is not given to the Arrangement, the TSXV does not approve the Arrangement, the Final Order is not granted or the Board otherwise decides to revoke the Special Resolution prior to the Arrangement coming into force, the articles of arrangement will not be filed and the Arrangement will not be effective.

Income Tax Considerations of the Return of Capital Transaction

Certain Canadian Federal Income Tax Considerations

General

In the opinion of Norton Rose Fulbright Canada LLP, the following summary describes, as of the date hereof, certain of the material Canadian federal income tax considerations under the Tax Act of the Return of Capital Transaction generally applicable to Shareholders.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current administrative polices and assessing practices of the Canada Revenue Agency (the "**CRA**") which have been published in writing prior to the date hereof. The summary assumes that the Tax Proposals will be implemented in the form proposed, although no assurance in this regard can be given. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not applicable to a Shareholder (i) that is a "financial institution" for the purposes of the "mark-to-market" rules, (ii) that is a "specified financial institution", (iii) that reports its "Canadian tax results" in a currency other than Canadian dollars, (iv) an interest in which is a "tax shelter investment", or (v) that has entered into a "derivative forward agreement" or a "dividend rental arrangement", each as defined in the Tax Act, in respect of the Class A Shares. This summary is also not applicable to a Shareholder who has or will acquire Class A Shares pursuant to the exercise of an employee stock option and whose Class A Shares participate in the Return of Capital Transaction. All of the foregoing Shareholders should consult their own tax advisors regarding their particular circumstances.

This summary is not exhaustive of all Canadian federal income tax considerations. Further, this summary is of a general nature only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Shareholder and no representation is made with respect to the income tax consequences to any particular Shareholder. Accordingly, Shareholders should consult their own tax advisors concerning the application and effect of the income and other taxes of any country, province, territory, state or local tax authority, having regard to their particular circumstances.

Canadian Currency

The Aggregate Cash Distribution Amount will be denominated in U.S. dollars. Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition or deemed disposition of a share must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars using the applicable rate of exchange (for purposes of the Tax Act) quoted by the Bank of Canada on the date such amounts arose, or such other rate of exchange as is acceptable to the CRA.

Shareholders Resident in Canada

The following portion of the summary is applicable to a Shareholder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length with, and is not affiliated with, the Company, holds its Class A Shares and will hold its Class C Shares as capital property and is not exempt from tax under Part I of the Tax Act (referred to in this part as a "**Canadian Resident Shareholder**"). Shares will generally be considered to be capital property of a Canadian Resident Shareholder provided that the Canadian Resident Shareholder does not hold the shares in the course of carrying on a business of buying and selling shares and has not acquired the shares in a transaction

considered to be an adventure or concern in the nature of trade. Certain Canadian Resident Shareholders that might not otherwise be considered to hold their shares as capital property may, in certain circumstances, be entitled to have the shares and all other "Canadian securities" (as defined in the Tax Act) owned by such Canadian Resident Shareholders in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Canadian Resident Shareholders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable having regard to their particular circumstances.

Exchange of Class A Shares for Cash and Class C Shares

On the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, a Canadian Resident Shareholder will be deemed to have received a taxable dividend on the Class A Shares so exchanged equal to the amount, if any, by which (i) the sum of the cash received by the Canadian Resident Shareholder on the exchange and the PUC of the Class C Shares received by the Canadian Resident Shareholder on the exchange, exceeds (ii) the PUC of the Class A Shares so exchanged immediately prior to the exchange. The estimated PUC of the Class A Shares at the date of this Circular is $2.482 (C$3.340) per Class A Share. Pursuant to the Return of Capital Transaction, the aggregate PUC of the Class C Shares will be an amount that is not greater than the difference between the aggregate PUC of the Class A Shares to be exchanged and the Aggregate Cash Distribution Amount to be received in respect of the Class A Shares to be exchanged. Accordingly, based on the foregoing, the Company does not anticipate that any deemed dividend will arise on the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction.

On the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, a Canadian Resident Shareholder will be deemed to have acquired Class C Shares at a cost equal to the amount, if any, by which the adjusted cost base to such Canadian Resident Shareholder of its Class A Shares immediately prior to the exchange exceeds the amount of cash received by the Canadian Resident Shareholder for its Class A Shares.

Capital Gains and Losses

On the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, a Canadian Resident Shareholder will be deemed to have disposed of its Class A Shares for proceeds of disposition equal to the amount by which (i) the greater of the adjusted cost base of such Class A Shares immediately before the exchange and the amount of the cash received by the Canadian Resident Shareholder on the exchange, exceeds (ii) the amount of any taxable dividend deemed to have been received by the Canadian Resident Shareholder on such Class A Shares as described above. As noted above, the Company does not anticipate that any deemed dividend will arise on the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, in which case a Canadian Resident Shareholder will be deemed to have disposed of its Class A Shares for proceeds of disposition equal to the greater of the adjusted cost base of such Class A Shares immediately before the exchange and the amount of the cash received by the Canadian Resident Shareholder on the exchange. A Canadian Resident Shareholder will realize a capital gain (or capital loss) to the extent that the deemed proceeds of disposition of its Class A Shares exceed (or are less than) the adjusted cost base of the Class A Shares immediately before the Effective Time.

Taxation of Capital Gains and Losses

Generally, a Canadian Resident Shareholder will be required to include in computing its income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by it in that year. Subject to and in accordance with the provisions of the Tax Act, one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year is deducted from taxable capital gains realized by the Canadian Resident Shareholder in that year, and any excess may be carried back to any of the three

preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years.

The amount of a capital loss realized on the disposition of a Class A Share by a Canadian Resident Shareholder that is a corporation may, to the extent and under the circumstances specified in the Tax Act, be reduced by the amount of dividends received or deemed to be received on the Class A Shares. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Class A Shares, directly or indirectly, through a partnership or trust. Canadian Resident Shareholders who may be affected by these rules are urged to consult with their own tax advisors in this regard.

A Canadian Resident Shareholder who is an individual, including certain trusts, may have all or a portion of any capital loss on the disposition of Class A Shares pursuant to the Return of Capital Transaction denied if the "superficial loss" rules in the Tax Act apply. This may arise where the Canadian Resident Shareholder (or a person affiliated with the Canadian Resident Shareholder for purposes of the Tax Act) acquires additional Class A Shares in the period commencing 30 days prior to, and ending 30 days after, the disposition of the Class A Shares pursuant to the Return of Capital Transaction. Canadian Resident Shareholders are urged to consult their own tax advisors with respect to the "superficial loss" rules.

Similarly, a Canadian Resident Shareholder that is a corporation may have all or a portion of any capital loss on the disposition of the Class A Shares pursuant to the Return of Capital Transaction suspended if it (or a person affiliated with it for purposes of the Tax Act) acquires additional Class A Shares in the period commencing 30 days prior, and ending 30 days after, the disposition of Class A Shares pursuant to the Return of Capital Transaction. A Canadian Resident Shareholder that is a corporation is urged to consult its own tax advisors with respect to the "suspended loss" rules.

A Canadian Resident Shareholder that is a Canadian-controlled private corporation throughout the year (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains (but not dividends, or deemed dividends, that are deductible in computing taxable income).

Alternative Minimum Tax

A capital gain realized, or a dividend received (or deemed to be received) by a Canadian Resident Shareholder who is an individual, including a trust (other than certain specified trusts), as a result of the disposition of Class A Shares pursuant to the Return of Capital Transaction may result in a liability for alternative minimum tax. Such Canadian Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax rules set out in the Tax Act.

Exchange of Class C Shares for Class A Shares

As part of the Return of Capital Transaction, each Class C Share held by a Shareholder will be exchanged for one Class A Share. Canadian Resident Shareholders will be deemed not to have disposed of the Class C Shares on such exchange.

The aggregate adjusted cost base of the Class A Shares acquired by a Canadian Resident Shareholder on such exchange will be equal to the Canadian Resident Shareholder's aggregate adjusted cost base of its Class C Shares immediately before such exchange.

Dividends on Shares (Post-Arrangement)

Dividends received, or deemed to be received, by a Canadian Resident Shareholder on its Class A Shares after the Return of Capital Transaction will be included in computing the Canadian Resident Shareholder's income for the purposes of the Tax Act. In the case of a Canadian Resident Shareholder who is an individual (other than certain trusts), such dividends will generally be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to "taxable dividends" received from "taxable Canadian corporations", including the enhanced gross-up and dividend tax credit rules applicable

to any dividends designated as “eligible dividends” for these purposes (all within the meaning of the Tax Act).

Dividends received, or deemed to be received, on Class A Shares by a Canadian Resident Shareholder who is an individual (including certain trusts) may result in such Canadian Resident Shareholder being liable for alternative minimum tax under the Tax Act. Canadian Resident Shareholders who are individuals should consult their own tax advisors in this regard.

Dividends received, or deemed to be received, by a Canadian Resident Shareholder that is a corporation on its Class A Shares after the Return of Capital Transaction will be required to be included in computing the corporation’s income, but such dividends will generally be deductible in computing the corporation’s taxable income, subject to certain limitations in the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Canadian Resident Shareholder that is a corporation as proceeds of disposition or a capital gain. Canadian Resident Shareholders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Canadian Resident Shareholder that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) may be liable to pay a refundable tax on dividends received or deemed to be received on the Class A Shares to the extent such dividends are deductible in computing the Canadian Resident Shareholder’s taxable income.

Dispositions of Shares (Post-Arrangement)

A Canadian Resident Shareholder that disposes of Class A Shares after the Return of Capital Transaction generally will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of its Class A Shares exceed (or are less than) the total of the Canadian Resident Shareholder’s adjusted cost base of the Class A Shares and any reasonable costs of disposition. The tax treatment of capital gains and capital losses is discussed in this portion of the summary under the heading “Taxation of Capital Gains and Losses”.

Non-Canadian Resident Shareholders

The following portion of the summary is applicable to a Shareholder who, for purposes of the Tax Act and at all relevant times: (i) is not resident or deemed to be resident in Canada, (ii) does not use or hold, and is not deemed to use or hold, its Class A Shares in connection with carrying on a business in Canada, (iii) is not an insurer that carries on an insurance business in Canada and elsewhere (referred to in this part as a “**Non-Canadian Resident Shareholder**”).

Exchange of Shares for Cash and Class C Shares

On the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, a Non-Canadian Resident Shareholder will be deemed to have received a taxable dividend on the Class A Shares so exchanged equal to the amount, if any, by which (i) the sum of the cash received by the Non-Canadian Resident Shareholder on the exchange and the PUC of the Class C Shares received by the Non-Canadian Resident Shareholder on the exchange, exceeds (ii) the amount of the PUC of the Class A Shares so exchanged immediately prior to the exchange. The estimated PUC of the Class A Shares at the date of this Circular is $2.482 (C$3.340) per Class A Share. Pursuant to the Return of Capital Transaction, the aggregate PUC of the Class C Shares will be an amount that is not greater than the difference between the aggregate PUC of the Class A Shares to be exchanged and the Aggregate Cash Distribution Amount to be received in respect of the Class A Shares to be exchanged. Accordingly, based on the foregoing, the Company does not anticipate that any deemed dividend will arise on the exchange of Class A Shares for cash and Class C Shares by a Non-Canadian Resident Shareholder pursuant to the Return of Capital Transaction. On that basis, there will not be any Canadian withholding tax on that exchange.

On the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, a Non-Canadian Resident Shareholder will be deemed to have acquired Class C Shares at a cost equal to the amount, if any, by which the adjusted cost base to such Non-Canadian Resident Shareholder of its Class A Shares immediately prior to the exchange exceeds the amount of cash received by the Non-Canadian Resident Shareholder for its Class A Shares.

Capital Gains and Losses

On the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, a Non-Canadian. Resident Shareholder will be deemed to have disposed of its Class A Shares for proceeds of disposition equal to the amount by which (i) the greater of the adjusted cost base of such Class A Shares immediately before the exchange and the amount of the cash received by the Non-Canadian Resident Shareholder on the exchange, exceeds (ii) the amount of any taxable dividend deemed to have been received by the Non-Canadian Resident Shareholder on such Class A Shares as described above. As noted above, the Company does not anticipate that any deemed dividend will arise on the exchange of Class A Shares for cash and Class C Shares pursuant to the Return of Capital Transaction, in which case a Non-Canadian Resident Shareholder will be deemed to have disposed of its Class A Shares for proceeds of disposition equal to the greater of the adjusted cost base of such Class A Shares immediately before the exchange and the amount of the cash received by the Non-Canadian Resident Shareholder on the exchange. A Non-Canadian Resident Shareholder will realize a capital gain (or capital loss) to the extent that the deemed proceeds of disposition of its Class A Shares exceed (or are less than) the adjusted cost base of the Class A Shares immediately before the Effective Time.

Taxation of Capital Gains and Losses

A Non-Canadian Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Class A Shares pursuant to the Return of Capital Transaction unless the Class A Shares are “taxable Canadian property” of the Non-Canadian Resident Shareholder at the time of such disposition and such gain is not otherwise exempt from tax under the Tax Act pursuant to the provisions of an applicable tax treaty. Generally, provided the Class A Shares are listed on a “designated stock exchange” as defined in the Tax Act (which includes the TSX) at the time of disposition, the Class A Shares will not constitute taxable Canadian property of a Non-Canadian Resident Shareholder, unless, at any time during the 60-month period immediately preceding the disposition, (a) the Non-Canadian Resident Shareholder, persons with whom the Non-Canadian Resident Shareholder did not deal at arm’s length, partnerships in which the Non-Canadian Resident Shareholder or such non-arm’s length persons holds a membership interest directly or indirectly, or the Non-Canadian Resident Shareholder together with all such foregoing persons, owned 25% or more of the issued Class A Shares or any other issued class of the Company’s shares, and (b) more than 50% of the fair market value of the Class A Shares was derived directly or indirectly from any one or combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties (as defined in the Tax Act), (iii) timber resource properties (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii), whether or not that property exists. A Class A Share may also be deemed to be taxable Canadian property of a Non-Canadian Resident Shareholder in certain circumstances specified in the Tax Act.

Even if a Class A Share is taxable Canadian property of a Non-Canadian Resident Shareholder, any gain realized on a disposition of the Class A Share may be exempt from tax under the Tax Act pursuant to the provisions of an applicable tax treaty. Non-Canadian Resident Shareholders should consult their own tax advisors in this regard.

In the event a Class A Share is taxable Canadian property to a Non-Canadian Resident Shareholder at the time of disposition and the capital gain realized on the disposition of the Class A Share is not exempt from tax under the Tax Act pursuant to the provisions of an applicable tax treaty, the tax consequences in

respect of capital gains described above under "Shareholders Resident in Canada – Taxation of Capital Gains and Losses" will generally apply.

Exchange of Class C Shares for Shares

As part of the Return of Capital Transaction, each Class C Share held by a Shareholder will be exchanged for one Class A Share. Non-Canadian Resident Shareholders will be deemed not to have disposed of the Class C Shares on such exchange.

The aggregate adjusted cost base of the Class A Shares acquired by a Non-Canadian Resident Shareholder on such exchange will be equal to the Non-Canadian Resident Shareholder's aggregate adjusted cost base of its Class C Shares immediately before such exchange.

Dividends on Shares (Post-Arrangement)

Dividends on Class A Shares that are paid or credited, or that are deemed to be paid or credited, to a Non-Canadian Resident Shareholder after the Return of Capital Transaction will be subject to Canadian withholding tax at the rate of 25% of the gross amount of such dividends. This rate may be reduced under the provisions of an applicable tax treaty. For example, under the *Convention Between Canada and the United States of America With Respect to Taxes on Income and on Capital* (the "**U.S. Treaty**"), a Non-Canadian Resident Shareholder that is a resident of the U.S. for the purposes of the U.S. Treaty, is the beneficial owner of the dividends, and entitled to full benefits of the U.S. Treaty will generally be subject to Canadian withholding tax at a rate of 15% of the amount of such dividends.

Dispositions of Shares (Post-Arrangement)

A Non-Canadian Resident Shareholder will generally not be subject to tax under the Tax Act on any gain realized on a disposition of Class A Shares after the Return of Capital Transaction, unless the Class A Shares are taxable Canadian property of the Non-Canadian Resident Shareholder at the time of disposition and the Non-Canadian Resident Shareholder is not entitled to relief under an applicable tax treaty. For additional details, see the discussion in this portion of the summary under the heading "*Non-Canadian Resident Shareholders – Taxation of Capital Gains and Losses*".

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain material U.S. federal income tax consequences of the Return of Capital Transaction to Shareholders. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), applicable U.S. Treasury Regulations, and administrative and judicial interpretations, all as of the date hereof, and all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all the tax consequences that may be relevant to a particular Shareholder in light of the Shareholder's particular circumstances. Different rules that are not discussed below may apply to some Shareholders subject to special tax rules, such as partnerships (or entities classified as partnerships for U.S. federal income tax purposes), insurance companies, tax-exempt persons, financial institutions, regulated investment companies, dealers or traders in securities or currencies, persons that hold Class A Shares as a position in a "straddle" or as part of a "hedge", "conversion transaction" or other integrated investment, persons who received Class A Shares as compensation, persons who own or have owned (directly, indirectly, or by attribution) 10% or more of the total combined voting power or value of all outstanding Class A Shares of the Company, U.S. Holders (as defined below) whose functional currency is other than the United States dollar, Non-U.S. Holders (as defined below) who hold Class A Shares in connection with a trade or business conducted in the United States, or Non-U.S. Holders who are individuals present in the United States for 183 days or more in the taxable year of the Return of Capital Transaction. This summary does not address any state, local, or non-U.S. tax or alternative minimum tax considerations that may be relevant to a Shareholder's participation in the Return of Capital Transaction. In addition, except as specifically set forth below, this summary does not discuss all applicable tax reporting requirements (for example, this summary does not discuss the

tax reporting requirements, if any, with respect to the share exchanges). This summary assumes Class A Shares are held as capital assets within the meaning of Section 1221 of the Code. This summary further assumes that all payments made to U.S. Holders who participate in the Return of Capital Transaction will be made in U.S. dollars.

No opinion from legal counsel or ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax considerations applicable to U.S. Holders and Non-U.S. Holders, as discussed in this summary. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE, AND LOCAL TAX CONSEQUENCES OF PARTICIPATING IN THE RETURN OF CAPITAL TRANSACTION, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION.

A U.S. Holder is a beneficial owner of Class A Shares who is:

- a citizen or individual resident of the United States;

- a corporation (or other business entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;

- an estate the income of which is subject to U.S. federal income tax regardless of its source; or

- a trust that (a) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons or (b) otherwise has validly elected to be treated as a U.S. domestic trust for U.S. federal income tax purposes.

A Non-U.S. Holder is a beneficial owner of Class A Shares who is not a U.S. Holder.

The U.S. federal income tax treatment of a partner in a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that holds Class A Shares will depend on the status of the partner and the activities of the partnership. This summary does not address the tax consequences to any such partnership, entity or arrangement or any owner thereof. Prospective participants in the Return of Capital Transaction that are partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) are urged to consult their own tax advisors concerning the U.S. federal income tax consequences to them of the Return of Capital Transaction.

U.S. Federal Income Tax Consequences of the Return of Capital Transaction to U.S. Holders

U.S. Holders will not recognize gain or loss on the back-to-back exchanges of Class A Shares for Class C Shares and Class C Shares for Class A Shares as part of the Return of Capital Transaction.

The receipt of cash as part of the Return of Capital Transaction will be treated as a distribution with respect to a U.S. Holder's shares in the Company. Subject to the potential application of the passive foreign investment company ("**PFIC**") rules discussed below, this distribution will be treated as a dividend to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. For these purposes, the Company's current earnings and profits cannot be determined until the end of the taxable year ending December 31, 2019. Any portion of the distribution that is treated as a dividend will be includible in a U.S. Holder's gross income without reduction for the tax basis that the holder has in its shares of the Company. The Company intends to

calculate its earnings and profits under U.S. federal income tax principles for purposes of determining what portion of the distribution, if any, will be treated as a dividend for U.S. federal income tax purposes. Subject to applicable limitations and provided the Company is eligible for the benefits of the Canada-U.S. Tax Convention or the Class A Shares are considered to be readily tradable on a United States securities market, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC in the tax year of distribution or in the preceding tax year. No ruling from the IRS concerning the status of the Company as a PFIC with respect to any taxable year has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, the Company's PFIC status for the current year cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any PFIC determination made by the Company (or by one of the Company's subsidiaries). Each U.S. Holder should consult its own tax advisor regarding the Company's status as a PFIC and the PFIC status of each non-U.S. subsidiary of the Company. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules. To the extent the distribution exceeds the Company's current and accumulated earnings and profits, the excess first will be treated as a tax-free return of capital to the extent of such U.S. Holder's tax basis in such shares, determined on a share-by-share basis, and then as capital gain from the sale or exchange of such shares, also determined on a share-by-share basis.

Passive Foreign Investment Company Rules

As a result of certain rules applicable to PFICs, the U.S. federal income tax consequences of the Return of Capital Transaction could differ materially and adversely from those described above for certain U.S. Holders. The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules (including the applicability and advisability of a QEF election or Mark-to-Market election) and how the PFIC rules may affect the U.S. federal income tax consequences of the Return of Capital Transaction.

U.S. Holders that Have Made a "QEF Election"

The U.S. federal income tax consequences of the distribution to U.S. Holders that have made a timely and effective "qualified electing fund election" or "QEF election" will vary depending on whether the Company is a PFIC for the taxable year ending December 31, 2019. If the Company is not a PFIC for the taxable year ending December 31, 2019, then a U.S. Holder that has made a timely and effective QEF election is entitled to receive a tax-free distribution from the Company to the extent that such distribution represents earnings and profits, if any, that were previously included in income by the U.S. Holder because of such QEF election. To the extent the distribution exceeds a U.S. Holder's prior inclusions, or if the U.S. Holder was not required to include income in prior years as a result of a QEF election, the normal U.S. federal income tax rules with respect to distributions described above will apply. If the Company is a PFIC for the taxable year ending December 31, 2019, then a U.S. Holder is required to include as ordinary income the U.S. Holder's pro rata share of the Company's "net capital gain" and "ordinary earnings" (calculated under U.S. federal income tax rules) for the taxable year. The distribution pursuant to the Return of Capital Transaction would be tax-free to the extent of such current year inclusion and any prior year inclusions as a result of the QEF election. A U.S. Holder is required to adjust its tax basis in the Class A Shares to reflect the amount included in income or allowed as a tax-free distribution because of a QEF election. After taking into account any adjustments to a U.S. Holder's tax basis in the Class A Shares, the amount of the distribution that exceeds any amounts previously included in income as a result of the QEF election is subject to U.S. federal income tax according to the normal rules with respect to distributions described above.

Because the determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and depends on the assets and income of such corporation over the course of each such tax year, the Company cannot, as of the time of this document, predict with certainty whether it will be a PFIC for the taxable year ending December 31, 2019. If the Company determines that it is a PFIC for the taxable year ending December 31, 2019, the Company plans to prepare and make the statement available to U.S. taxpayers and permit access to the information necessary for a U.S. Holder to comply with the annual reporting requirements associated with the QEF election.

U.S. Holders that Have Made a "Mark-to-Market Election"

U.S. Holders that have made a timely and effective Mark-to-Market election are subject to U.S. federal income tax on the distribution made pursuant to the Return of Capital Transaction according to the normal rules with respect to distributions described above regardless of whether the Company is in 2019, or has been in a prior year, a PFIC. Additionally, a U.S. Holder who has made a timely and effective Mark-to-Market election is required to include in ordinary income, for each tax year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Class A Shares, as of the close of such tax year over (b) such U.S. Holder's tax basis in the Class A Shares. Conversely, a U.S. Holder that makes a Mark-to-Market election will be allowed a deduction, for each tax year in which the Company is a PFIC, in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the Class A Shares, over (b) the fair market value of such Class A Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market election for prior tax years). If the Company is not a PFIC in a given taxable year, the Mark-to-Market inclusion and deduction rules described above will not apply for that taxable year.

U.S. Holders Subject to the Default PFIC Rules

If a U.S. Holder held shares in the Company at any time that the Company was a PFIC and the U.S. Holder has not made a timely and valid QEF election or Mark-to-Market election with respect to the Company, the Company will, subject to certain limited exceptions, be considered a PFIC with respect to that U.S. Holder regardless of whether the Company meets the definition of a PFIC for the taxable year ending December 31, 2019. For these U.S. Holders, the default PFIC rules apply. Under the default PFIC rules, the distribution made pursuant to the Return of Capital Transaction will be considered an "excess distribution" regardless of the Company's current or accumulated earnings and profits. The excess distribution must be ratably allocated to each day in a U.S. Holder's holding period for the Class A Shares. The amount of the excess distribution allocated to the tax year of the distribution and to years before the entity became a PFIC, if any, will be taxed as ordinary income (and not eligible for certain preferential tax rates, as discussed above). The amounts allocated to any other tax year will be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

Additional Tax on Passive Income

Certain U.S. Holders that are individuals, estates or trusts (other than trusts that are exempt from tax) will be subject to a 3.8% tax on all or a portion of their "net investment income," which includes dividends and capital gains with respect to the Class A Shares. Further, the PFIC rules discussed above, including QEF elections and Mark-to-Market elections, can affect the calculation of net investment income. U.S. Holders that are individuals, estates or such trusts should consult their own tax advisors regarding the applicability of this tax to any of their income or gains in respect of the Class A Shares

Backup Withholding

Payments made within the United States, if any, or by a U.S. payor or U.S. middleman, with respect to the Class A Shares, generally may be subject to information reporting and backup withholding tax, currently at the rate of 24%, if a U.S. Holder (a) fails to furnish its correct U.S. taxpayer identification number (generally on Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that it has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons, such as U.S. Holders that are corporations, generally are excluded from these information reporting and backup withholding tax rules. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

U.S. Federal Income Tax Consequences of the Return of Capital Transaction to Non-U.S. Holders

Non-U.S. Holders generally will not be subject to U.S. federal income taxation as a result of participating in the Return of Capital Transaction. The U.S. federal income tax laws applicable to the Return of Capital Transaction are, however, complex. Non-U.S. Holders are urged to consult their own tax advisors concerning the application of U.S. federal, state, local and non-U.S. income tax laws in their particular circumstances.

Director and Officer Class A Share Ownership

Directors and officers of the Company beneficially own or control an aggregate of 15,235,637 Class A Shares, or 15.33% of all Class A Shares issued and outstanding on a non-diluted basis. See also "*Item 1 –Election of Directors*".

Risk Factors Related to the Return of Capital Transaction

The Return of Capital Transaction is Subject to Several Conditions Precedent

The completion of the Return of Capital Transaction is subject to a number of conditions precedent, some of which are outside the control of the Company, including receipt of approval of the Special Resolution by the Shareholders and the approval of the Court and the TSXV. There can be no certainty, nor can the Company provide any assurance, that these conditions precedent will be satisfied or, if satisfied, when they will be satisfied.

Costs Associated with the Return of Capital Transaction

There are certain costs related to the Return of Capital Transaction, such as legal and accounting fees incurred, that must be paid even if the Return of Capital Transaction is not completed.

Completion of the Return of Capital Transaction Remains Subject to Board Discretion

Notwithstanding the Shareholders approving the Arrangement, the Board will retain the discretion not to proceed with the Return of Capital Transaction if it determines that such transaction is no longer in the best interests of the Company.

Depositary

The Company has retained the services of Computershare Trust Company of Canada as the Depositary for the receipt of the Letters of Transmittal and for the delivery and payment of the consideration payable as a result of the Return of Capital Transaction. The Depositary will receive reasonable and customary compensation for its services in connection with the Return of Capital Transaction, will be reimbursed for

certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws and expenses in connection therewith.

EXECUTIVE COMPENSATION

The disclosure that follows has been prepared in accordance with the provisions of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis ("**CD&A**") is to provide information about the Company's executive compensation philosophy, objectives and processes and to discuss compensation decisions relating to certain of the Company's senior officers, being the five identified named executive officers (the "**NEOs**") during the Company's most recently completed financial year, being the year ended December 31, 2018. The NEOs who are the focus of this CD&A and who appear in the executive compensation tables of this Circular are: James H. Coleman, executive director and chairman; Rockne J. Timm, chief executive officer (the "**CEO**"); A. Douglas Belanger, president; Robert A. McGuinness, vice president finance and chief financial officer (the "**CFO**"); and David P. Onzay, corporate controller.

Compensation Committee

The Company's compensation program was administered during 2018 by the compensation committee of the Board (the "**Compensation Committee**"). The Compensation Committee is currently composed of the following directors:

Jean Charles Potvin (Chair)

James P. Geyer

James Michael Johnston

The Compensation Committee met six times during 2018 via conference calls and email exchanges. While serving on the Compensation Committee, all of the members participated actively in all discussions. All of the members of the Compensation Committee have had direct experience in matters of executive compensation that is relevant to their responsibilities as members of such committee by virtue of their respective professions and long-standing involvement with public companies and matters of executive compensation. In addition, each member of the Compensation Committee keeps abreast on a regular basis of trends and developments affecting executive compensation.

The Board has determined that each member of the Compensation Committee satisfied the definition of "independent" director as established under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") of the Canadian Securities Administrators. The Compensation Committee currently has no written charter.

The function of the Compensation Committee is to evaluate the Company's performance and the performance of the NEOs. The Compensation Committee approves the cash and equity-based compensation of the NEOs and submits such approvals to the full Board for ratification. The Compensation Committee also reviews the Company's compensation plans, policies and programs and other specific compensation arrangements to assess whether they meet the Company's risk profile and to ensure they do not encourage excessive risk taking on the part of the recipient of such compensation. The Board has complete discretion over the amount and composition of each NEO's compensation. Compensation matters relating to the directors were administered by the full Board. Compensation matters relating to each NEO that is a member of the Board were administered by the Compensation Committee.

The Company currently does not anticipate making any significant changes to its compensation policies and practices in 2019.

Compensation Program Philosophy

The goal of the compensation program is to attract, retain and reward employees and other individuals who contribute to both the immediate and the long-term success of the Company. Contributions are largely measured subjectively, and are rewarded through cash and equity-based compensation.

The following objectives are considered in setting the compensation programs for the NEOs:

- set compensation and incentive levels that reflect competitive market practices for similar experience and similar size companies; and

- encourage stock holdings to align the interests of the NEOs with those of Shareholders.

The Company evaluates the extent to which strategic and business goals are met and measures individual performance, albeit subjectively, and the degree to which teamwork and Company objectives are promoted. The Company strives to achieve a balance between the compensation paid to a particular individual and the compensation paid to other employees and executives having similar responsibilities within the Company. The Company also strives to ensure that each employee understands the components of his or her salary, and the basis upon which it is determined and adjusted.

While the Company encourages NEOs to own Class A Shares of the Company, the Company does not currently have a policy requiring officers or directors of the Company to own Class A Shares.

The Compensation Committee has considered the risk implications of the Company's compensation policies and practices and has concluded that there is no appreciable risk associated with such policies and practices as such policies and practices do not have the potential of encouraging an executive officer or other applicable individual to take on any undue risk or to otherwise expose the Company to inappropriate or excessive risks. Furthermore, although the Company does not have in place any specific prohibitions preventing a NEO or a director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of stock options or other equity securities of the Company granted in compensation or held directly or indirectly, by the NEO or director, the Company is unaware of the purchase of any such financial instruments by any NEO or director.

During 2018, the Company did not retain a compensation consultant or advisor to assist the Board or Compensation Committee in determining compensation for the Company's executive officers and directors.

Compensation Elements and Rationale for Pay Mix Decisions

To reward both short and long-term performance in the compensation program and in furtherance of the Company's compensation objectives noted above, the Company's executive compensation philosophy includes the following two principles:

Compensation levels should be competitive

A competitive compensation program is vital to the Company's ability to attract and retain qualified senior executives. The Company regularly assesses peer group data to ensure that the compensation program is competitive.

Incentive compensation should balance short and long-term performance

To reinforce the importance of balancing strong short-term annual results and long-term viability and success, NEOs may receive both short and long-term incentives. Short-term incentives focus on the

achievement of certain objectives for the upcoming year, while stock options create a focus on share price appreciation over the long term.

Compensation Benchmarking

The Company in the past established base salaries and other compensation by using an extensive internal survey of base salaries paid to officers of mining companies with similar experience in the mining industry and therefore proved a good basis on which to make the comparison. The companies considered in the most recent internal survey were:

Centerra Gold Inc.	Seabridge Gold Inc.
Detour Gold Corporation	Endeavour Mining Corporation
Guyana Goldfields Inc.	Ivanhoe Mines Ltd.
Lydian International Limited	Northern Dynasty Minerals Ltd.
NovaGold Resources Inc.	Pretium Resource Inc.
Sandspring Resources Ltd.	

All of the participants of the internally generated survey are listed on the NYSE MKT, the Toronto Stock Exchange, or the TSX Venture Exchange (the "**TSXV**"). The Company believes that the survey is a very good representation of average salaries paid to officers with similar levels of experience with comparable mining companies and therefore a good basis on which to make comparisons. The data was obtained from publicly available information.

Components of Executive Compensation

The components of executive compensation are as follows:

Base Salary. The administration of the program requires the Compensation Committee to review annually the base salary of each NEO and to consider various factors, including individual performance, experience, length of time in position, future potential, responsibility, and the executive's current salary in relation to the executive salary range at other mining companies. These factors are considered subjectively and none are accorded a specific weight.

Bonuses. In addition to base salary, the Compensation Committee from time-to-time recommends to the Board payments of discretionary bonuses to executives and selected employees. Such bonuses are based on the same criteria and determined in a similar fashion as described above.

Equity. The Compensation Committee from time-to-time recommends to the Board grants of stock options to executives and selected employees. These grants are to motivate the executives and selected employees to achieve goals that are consistent with the Company's business strategies, to create Shareholder value and to attract and retain skilled and talented executives and employees. These factors are considered subjectively and none are accorded a specific weight when granting awards.

KSOP Plan Contribution. The Compensation Committee annually determines the contribution to an employee stock ownership plan with 401(k) provisions maintained by the Company's subsidiary, Gold Reserve Corporation (the "**KSOP Plan**"), for allocation to individual participants. Participation in and contributions to the KSOP Plan by individual employees, including officers, is governed by the terms of the KSOP Plan. See "*Incentive Plans – KSOP Plan*".

Chief Executive Officer's Compensation

It is the responsibility of the Compensation Committee to review and recommend to the Board for ratification the compensation package for the CEO based on the same factors listed above that are used in determining the base salaries for the other NEOs.

The Compensation Committee has not developed specific quantitative or qualitative performance measures or other specific criteria for determining the compensation of the Company's CEO, primarily because the Company does not yet have a producing mine or other operations from which such quantitative data can be derived.

The determination of the CEO's compensation in 2018 was based on an internal survey of other companies previously mentioned herein, was subjective, and based on the progress of the proceedings relating to the resolution of the investment dispute with Venezuela, and the pursuit of new corporate opportunities.

Other NEO's Compensation

In determining the compensation of the other NEOs, the compensation during 2018 was also based on an internal survey of other companies, was subjective, and based on the progress of the proceedings relating to the resolution of the investment dispute with Venezuela, and the pursuit of new corporate opportunities. Generally, the Compensation Committee considers prior compensation and equity grants when considering current compensation.

Change of Control Agreements

The Company maintains change of control agreements with each of the NEOs (the "**Change of Control Agreements**") which were implemented by the Board to induce the NEOs to remain with the Company.

See "*Termination and Change of Control Benefits*" below.

Summary Compensation Table

The following table discloses the compensation paid or granted by the Company to the NEOs for each of the fiscal years ended December 31, 2018, 2017, and 2016.

The amounts related to the option-based awards and the share-based awards do not necessarily represent the value of the Class A Shares when vesting occurs, the value of the stock options when exercised, or value the employee may realize from the sale of the Class A Shares.

Name and Principal Position	Year	Salary ($)	Share-based Awards ($)	Option-based Awards ($)	Non-equity Incentive plan compensation		Pension value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual incentive plans	Long-term incentive plans			
James H. Coleman [1]	2018	500,000	-	-	n/a	n/a	n/a	641,830 [2]	1,141,830
Executive Chairman and	2017	500,000	-	834,013 [3]	n/a	n/a	n/a	3,268,718 [4]	4,602,731
Director	2016	500,000	-	-	n/a	n/a	n/a	182,000 [5]	682,000
Rockne J. Timm [1]	2018	625,000	-	-	n/a	n/a	n/a	515,358 [2]	1,140,358
Chief Executive Officer	2017	625,000	-	886,138 [3]	n/a	n/a	n/a	4,185,668 [4]	5,696,806
and Director	2016	625,000	-	-	n/a	n/a	n/a	181,950 [6]	806,950
Robert A. McGuinness	2018	241,500	-	-	n/a	n/a	n/a	253,087 [2]	494,587
Vice President Finance	2017	241,500	-	208,503 [7]	n/a	n/a	n/a	841,739 [4]	1,291,742
and CFO	2016	212,625	-	-	n/a	n/a	n/a	27,641 [8]	240,266
A. Douglas Belanger [1]	2018	450,000	-	-	n/a	n/a	n/a	515,358 [2]	965,358
President and Director	2017	450,000	-	625,510 [3]	n/a	n/a	n/a	3,453,174 [4]	4,528,684
	2016	450,000	-	-	n/a	n/a	n/a	109,450 [9]	559,450
David P. Onzay	2018	138,000	-		n/a	n/a	n/a	155,225 [2]	293,225
Corporate Controller	2017	138,000	-	109,464 [7]	n/a	n/a	n/a	542,671 [4]	790,135
	2016	121,500	-		n/a	n/a	n/a	15,795 [8]	137,295

(1) Messrs. Coleman, Timm and Belanger did not receive compensation for their roles as directors.

(2) Other compensation for 2018 consists of payment under Bonus Plan (see "*2012 Bonus Pool Plan*" below for more information regarding the Bonus Plan), and the Company's contribution in the form of cash to each of the NEOs allocated to the KSOP Plan (or similar arrangement in the case of Mr. Coleman) for 2018 as follows:

	Payment under Bonus Plan ($)	KSOP and Other ($)	Total ($)
James H. Coleman	603,330	38,500	641,830
Rockne J. Timm	476,858	38,500	515,358
Robert A. McGuinness	214,587	38,500	253,087
A. Douglas Belanger	476,858	38,500	515,358
David P. Onzay	119,215	36,010	155,225

(3) On February 16, 2017, the Company granted stock options to the NEOs as follows: Mr. Coleman, 800,000; Mr. Timm, 850,000 and Mr. Belanger, 600,000, with an exercise price of $3.15 per share. The fair market value of these stock options at the date of grant was estimated using the Black-Scholes valuation model, which valuation model the Company has determined to be the most accurate measure of value for option-based awards with the following assumptions: a two year expected term; expected volatility of 59%; risk free interest rate of 1.22% per annum; and a dividend rate of 0%. The weighted average grant date fair value of the stock options granted during 2017 was calculated at approximately $1.04. The stock options vested immediately.

(4) Other compensation for 2017 consists of the payment for Retention Units (see "*Incentive Plans – Retention Units*" below for more information regarding the Retention Units), payment under Bonus Plan, bonuses to cover the exercise of stock options and resulting tax payments on the gain associated with the exercise of stock options, and the Company's contribution in the form of cash to each of the NEOs allocated to the KSOP Plan (or similar arrangement in the case of Mr. Coleman) for 2017 as follows:

	Payment of Retention Units ($)	Payment under Bonus Plan ($)	Cash Bonus to Exercise Stock Options ($)	KSOP and Other ($)	Total ($)
James H. Coleman	442,000	31,618	2,760,000	35,100	3,268,718
Rockne J. Timm	1,502,000	158,090	2,490,478	35,100	4,185,668
Robert A. McGuinness	589,000	71,140	146,799	35,100	841,739
A. Douglas Belanger	1,502,000	158,090	1,757,984	35,100	3,453,174
David P. Onzay	394,800	39,522	73,249	35,100	542,671

(5) During 2016 the Board authorized an increase in Mr. Coleman's annual salary to $500,000 for services as Executive Chairman of the Board of Directors. This amount represents a retroactive payment to June 2015.

(6) During 2016 the Board authorized an increase in Mr. Timm's annual salary to $625,000 retroactive to June 2015. The amount shown includes retroactive pay of $147,500 and the Company's cash contribution to the KSOP Plan for 2016 in the amount of $34,450.

(7) On February 16, 2017, the Company granted 200,000 stock options to Mr. McGuinness and 105,000 to Mr. Onzay with an exercise price of $3.15 per share. The fair market value of these stock options at the date of grant was estimated using the Black-Scholes valuation model, which valuation model the Company has determined to be the most accurate measure of value for option-based awards with the following assumptions: a two year expected term; expected volatility of 59%; risk free interest rate of 1.22% per annum; and a dividend rate of 0%. The weighted average grant date fair value of the stock options granted during 2017 was calculated at approximately $1.04. The stock options vest as follows: 1/2 upon grant, 1/4 on February 16, 2018, and 1/4 on February 16, 2019.

(8) Represents the Company's cash contribution to each of the NEOs allocated to the KSOP Plan for 2016.

(9) During 2016 the Board authorized an increase in Mr. Belanger's annual salary to $450,000 retroactive to June 2015. The amount shown includes retroactive pay of $75,000 and the Company's cash contribution to the KSOP Plan for 2016 in the amount of $34,450.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning all outstanding stock options to acquire Class A Shares granted to the NEOs outstanding as at December 31, 2018. No share-based awards were outstanding as at December 31, 2018.

	Option-based Awards					Share-based Awards		
Name	Grant Date	Number of securities underlying unexercised options #	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options [1] ($)	Number of shares or units of shares that have not vested #	Market or payout value of share-based awards that have not vested ($)	Market or payout value of share-based awards not paid out or distributed ($)
James H. Coleman	7/25/2014	25,000	4.02	7/25/2024	-	-	-	-
Executive Chairman	6/29/2015	75,000	3.91	6/29/2025	-	-	-	-
and Director								
	2/16/2017	400,000	3.15	2/16/2027	-	-	-	-
	Total	500,000			-	-	-	-
Rockne J. Timm	2/16/2017	425,000	3.15	2/16/2027	-	-	-	-
Chief Executive	Total	425,000			-	-	-	-
Officer and Director								
Robert A. McGuinness	7/25/2014	75,000	4.02	7/25/2024	-	-	-	-
Vice President Finance	2/16/2017	50,000	3.15	2/16/2027	-	-	-	-
and CFO	2/16/2017	125,000	3.15	2/16/2027	-	-	-	-
	Total	250,000			-	-	-	-
A. Douglas Belanger	2/16/2017	300,000	3.15	2/16/2027	-	-	-	-
President and Director								
David P. Onzay	7/25/2014	50,000	4.02	7/25/2024	-	-	-	-
Corporate Controller	2/16/2017	12,500	3.15	2/16/2027	-	-	-	-
	2/16/2017	80,000	3.15	2/16/2027	-	-	-	-
	Total	142,500	-	-	-	-	-	-

(1) The "Value of unexercised in-the-money options" was calculated by determining the difference between the market value of the securities underlying the option at the end of the financial year and the exercise price of such stock options. At December 31, 2018 the closing price of the Class A Shares on the OTCQX was $2.06.

Options Vested During the Year

The following table sets forth information for NEOs regarding the value of stock options vesting during 2018, of which there was none, as the market price was less than the exercise price. There are no share-based awards outstanding, and no non-equity incentive plan compensation was earned during 2018.

Name	Option-based awards – Value vested during the year $	Share-based awards – Value vested during the year $	Non-equity incentive plan compensation – Value earned during the year $
James H. Coleman			
Executive Chairman and Director	-	-	-
Rockne J. Timm			
Chief Executive Officer and Director	-	-	-
Robert A. McGuinness[1]			
Vice President Finance and CFO	-	-	-
A. Douglas Belanger			
President and Director	-	-	-
David P. Onzay			
Corporate Controller	-	-	-

(1) On February 16, 2018, 50,000 stock options vested for Mr. McGuinness and 26,667 for Mr. Onzay with an exercise price of $3.15 per share and a market price of $2.67 per share.

Incentive Plans

The 2012 Equity Incentive Plan, as amended and restated (the "2012 Plan")

The 2012 Plan was adopted by the Board for the employees, officers, directors and consultants of the Company and its subsidiaries and permits the grant of stock options, which are exercisable for Class A Shares.

The maximum number of Class A Shares issuable under stock options granted under the 2012 Plan is 8,750,000 Class A Shares. At the date of this Circular 2,073,435 stock options have been exercised, 4,604,565 stock options are outstanding and 2,072,000 are available for grant.

Securities Authorized for issuance under Equity Compensation Plans

The following table sets forth certain information regarding the 2012 Plan as of December 31, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under 2012 Plan
Equity Incentive Plans approved by Shareholders	N/A	N/A	N/A
2012 Equity Incentive Plan not approved by Shareholders	4,554,565	N/A	2,122,000
Total	4,554,565		2,122,000

The 2012 Plan was established to provide incentives to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Company provides newly issued Class A Shares to satisfy stock option exercises. The grants are made for terms of up to ten years with vesting periods as required by the TSXV and is administered by a committee of the Board, and in certain cases by the Board, established pursuant to the terms of the 2012 Plan.

In accordance with the rules of the TSXV the number of Class A Shares which may be reserved for issuance to any one person may not exceed 5% of the issued Class A Shares in a 12-month period, calculated as at the date the stock options are granted to such person. In addition pursuant to such rules and as set forth in the 2012 Plan, the Company may not grant stock options providing for the issuance of more than 2% of the issued Class A Shares to any one consultant in any 12-month period, calculated as at the date the stock options are granted to such consultant, and the Company may not grant stock options providing for the issuance, in the aggregate, of more than 2% of the issued Class A Shares to all persons retained to conduct investor relations activities in any 12-month period, calculated as at the date the stock options are granted to such persons.

The 2012 Plan also provides for the following:

(a) stock options granted under the 2012 Plan will have an expiry date not to exceed 10 years from the date of grant;
(b) any stock options granted that expire or terminate for certain reasons without having been exercised will again be available under the 2012 Plan;

(c) stock options will vest as required by the TSXV and as may be determined by a committee established pursuant to the 2012 Plan, or in certain cases, by the Board;

(d) the minimum exercise price of any stock options issued under the 2012 Plan will be the last previous closing price on the date of grant, subject to the requirements of the TSXV; and

(e) the Company's Board is authorized to grant to participants that number of stock options under the 2012 Plan not exceeding 8,750,000 of the issued and outstanding Class A Shares of the Company, less the number of currently outstanding stock options.

Amendments to the 2012 Plan may be made by the Board without Shareholder approval to:

(a) amend the 2012 Plan to correct typographical, grammatical or clerical errors;

(b) change the vesting provisions of an option granted under the 2012 Plan, subject to prior written approval of the TSXV, if applicable;

(c) change the termination provision of an option granted under the 2012 Plan if it does not entail an extension beyond the original expiry date of such option;

(d) make such amendments to the 2012 Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;

(e) make such amendments as may otherwise be permitted by the TSXV, if applicable; and

(f) amend the 2012 Plan to reduce the benefits that may be granted to new plan participants.

The Board is of the view that the 2012 Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry.

KSOP Plan

The Company's subsidiary, Gold Reserve Corporation, maintains a KSOP Plan for the benefit of eligible employees. The KSOP Plan consists of two components: (1) a salary reduction component and a 401(k) which includes provisions for discretionary contributions by the Company, and (2) an employee share ownership component, or ESOP. Eligible employees are those who have been employed for a period in excess of one year and who have worked at least 1,000 hours during the year in which any allocation is to be made.

Employee contributions to the 401(k) component of the KSOP Plan are limited in each year to the total amount of salary reduction the employee elects to defer during the year, which is limited in 2019 to $18,500 ($24,500 limit for participants who are 50 or more years of age, or who turn 50 during 2019).

Employer contributions, stated as a percentage of eligible compensation, are determined each year by the Board. The employer contributions are disclosed under "Executive Compensation – Summary Compensation Tables", under the column "All Other Compensation". All contributions, once made to the individual's account under the KSOP Plan, are thereafter self-directed.

Total employer and employee annual contributions to an employee participating in both the 401(k) and ESOP components of the KSOP Plan are limited (in 2019) to a maximum of $55,000 ($61,000 limit for participants who are 50 or more years of age or who turn 50 during 2019). The annual dollar limit is an aggregate limit which applies to all contributions made under this plan. For KSOP Plan year 2019 the Company has adopted a minimum "Safe Harbor" contribution of 3% of eligible compensation.

Distributions from the KSOP Plan are not permitted before the participating employee reaches the age of 59 and six months, except in the case of death, disability, termination of employment by the Company or financial hardship. Allocated cash contributions to eligible KSOP Plan participants (8 participants for 2018) for plan years 2018, 2017, and 2016 were $212,025, $234,252, and $163,340, respectively.

Retention Units

The Company has a Director and Employee Retention Plan (the "**Retention Plan**") for the primary purposes of: (1) attracting and retaining directors, management and personnel with the training, experiences, and ability to enable them to make a substantial contribution to the success of the business of the Company, (2) to motivate participants by means of growth-related incentives to achieve long range goals, (3) to further the identity of interests of participants with those of the Shareholders through equity-based incentive opportunities and (4) to allow each participant to share in the value of the Company following the grant of retention units (the "**Retention Units**").

The Board or a committee thereof may grant Units to directors and certain key employees of the Company or its subsidiaries. The Units fully vest and are payable upon the achievement of pre-established goals or a Change of Control (described below).

In June 2017, as a result of the collection of proceeds related to the sale of the Company's Mining Data to Venezuela, the Retention Units issued in October 2006 and December 2007 vested and, in the third quarter of 2017, the Company paid $7.7 million to plan participants. No Retention Units were granted to directors, executive officers, or employees in 2018, 2017, or 2016**.** As of December 31, 2018 no Retention Units remained outstanding.

Termination and Change of Control Benefits

Termination of Employment, Change in Responsibilities and Employment Contracts

At this time, there are no written employment agreements between the Company and the NEOs.

The Company maintains Change of Control Agreements with each of the NEOs, which were implemented by the Board to induce the NEOs to remain with the Company in the event of a Change of Control. The Board believes these individuals are important assets to the Company and their continued employment is important to oversee the current settlement arrangement with Venezuela including the development of Siembra Minera Project. The Board further believes that the loss of their continued services could have a detrimental impact on the successful outcome of the current settlement arrangement with Venezuela and the future of the Siembra Minera Project.

Existing Change of Control Arrangements with Executive Officers

Beginning in 2003, the Company entered into Change of Control Agreements with each of the NEOs (other than Mr. Coleman) and three other employees. On May 26, 2017, the Board approved a Change of Control Agreement with Mr. Coleman. Other than as disclosed herein, no other executive officers, directors or affiliates of the Company have Change of Control Agreements with the Company.

A "Change of Control" means one or more of the following:

(a) the acquisition by any individual, entity or group, of beneficial ownership of the Company of 25 percent of the voting power of the outstanding Class A Shares;

(b) a change in the composition of the Board (the "**Incumbent Board**") that causes less than a majority of the current directors of the Board to be members of the incoming board; however, that any individual becoming a director subsequent to the effective date of the Change of Control Agreements, whose election, or nomination for election by the Shareholders, was approved by a vote of at least the majority of the directors then comprising the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(c) reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company;

(d) liquidation or dissolution of the Company; or

(e) any other event the Board reasonably determines constitutes a Change of Control.

Pursuant to the Change of Control Agreements, in the event of a Change of Control each participant is entitled to, among other things, continue employment with the Company and, if the participant's employment is terminated within 12 months following the Change of Control for any reason other than termination by the Company for cause, such participant will be entitled to receive, among other things:

(a) an amount equal to 24 times his monthly salary (36 times for Mr. Timm, Mr. Belanger and Mr. Coleman), determined as of the date immediately prior to termination or the Change of Control, whichever is greater (the Change of Control time period of 24 months compared to 36 months is based primarily on seniority of position and responsibility and length of service with the Company);

(b) an amount equal to two years of the Company's KSOP contributions (based upon the maximum allowable allocation pursuant to applicable law and the participant's annual salary immediately prior to his termination date or the Change of Control, whichever is greater);

(c) an amount equal to the aggregate of all bonuses received during the 12 months prior to his termination date, plus any amounts required to be paid in connection with unpaid vacation time;

(d) a payment equal to two times the monthly premium for maintenance of health, life, accidental death and dismemberment, and long term disability insurance benefits for a period of 36 months;

(e) cause all equity awards or equity-based awards (including stock options and restricted shares) granted to the participant to become fully vested and unrestricted;

(f) at the election of the participant, the buy-out of the cash value of any unexercised stock options based upon the amount by which the weighted average trading price of the Class A Shares for the last five days preceding the date the participant makes such election exceeds the exercise price of the stock options; and

As further discussed in the following two paragraphs, the participants are entitled to receive certain "gross-up payments" (that is, an excess parachute gross-up payment and a deferred compensation gross-up payment) if payments that he receives are subject to the excise tax under Code Section 4999 on excess parachute payments or the additional tax and interest factor tax under Code Section 409A on deferred compensation. The intent of these gross-up payments is to put the participant in the same position, after tax, that he would have been in if the payments that the participant received had not been subject to the excise and additional taxes.

The Change of Control Agreements also provide for a gross-up payment if any payment made to or for the benefit of a participant ("**Excess Parachute Payment**") would be subject to the excise tax imposed by Code Section 4999, or any interest or penalties are incurred by the participant with respect to such excise tax. The Company will pay to the participant an additional payment ("**Excess Parachute Gross-Up Payment**") in an amount such that after payment by the participant of all taxes on the Excess Parachute Gross-Up Payment, the participant retains an amount of the Excess Parachute Gross-Up Payment equal to the excise tax (and any interest or penalties) imposed upon the participants Excess Parachute Payment.

The Change of Control Agreements further provide for a gross-up payment if any payment made to or for the benefit of a participant ("**Deferred Compensation Payment**") would be subject to the additional tax or additional interest on any underpayment of tax imposed by Code Section 409A, or any interest or penalties are incurred by the participant with respect to such additional tax or underpayment of tax. The Company will pay to the participant an additional payment ("**Deferred Compensation Gross-Up**

Payment") in an amount such that after payment by the participant of all taxes on the Deferred Compensation Gross-Up Payment, the participant retains an amount of the Deferred Compensation Gross-Up Payment equal to the additional tax and additional interest on any underpayment of tax (and any interest or penalties) imposed upon the participant's Deferred Compensation Payment.

Payments may be delayed six months under Code Section 409A. In the event of such a delay, the delayed payments will be made to a rabbi trust. Upon the completion of the six-month delay period, the payments held in the rabbi trust will be paid to the participant plus interest at the prime rate. The Company will pay all costs associated with the rabbi trust.

Participants would have been entitled to collectively receive an aggregate of approximately **$**9,126,944 if a Change of Control had occurred on December 31, 2018. This amount assumes all persons with Change of Control Agreements elect the buy-out of their stock options as described above. For purposes of such calculation, the Company assumed the election was made on December 31, 2018, on which date the price of the Class A Shares was $2.06 per share. The aggregate amount due was determined exclusive of any gross-up payments, which could be substantial depending on the tax position of each individual.

The following table represents the estimated payout for employees holding Change of Control Agreements at December 31, 2018. These amounts were determined exclusive of any gross-up payments, which could be substantial depending on the tax position of each individual.

Name	Compensation [1] $	Payout of Stock Options [2] $	Total $
James Coleman	2,213,580	-	2,213,580
Rockne J. Timm	2,644,791	-	2,644,791
Robert A. McGuinness	971,105	-	971,105
A. Douglas Belanger	2,121,049	-	2,121,049
David P. Onzay	776,419	-	776,419
Total NEOs	8,726,944	-	8,726,944
Other participants	400,000	41,289	441,289
Total	9,126,944	41,289	9,168,233

(1) Represents the estimated payout as of December 31, 2018 of the associated salary, vacation, KSOP contribution, bonus and insurance.

(2) Represents the payout of in-the-money stock options.

DIRECTOR COMPENSATION

Summary Director Fee Tables

Effective November 1, 2017, the Board approved an increase in the basic annual retainer for non-employee Board members from $36,000 per annum to $60,000 per annum and the following annual retainers for non-employee Committee chairs: the audit committee of the Board (the "**Audit Committee**") $8,000; the Compensation Committee $6,000; the nominating committee of the Board (the "**Nominating Committee**") $6,000; the mining committee of the Board (the "**Mining Committee**") $6,000; Barbados Committee $6,000; the legal committee of the Board (the "**Legal Committee**") $6,000; and the financial markets Committee of the Board (the "**Financial Markets Committee**") $6,000. All other non-employee Committee members receive an annual retainer of $4,000. Payments are made on a quarterly basis.

Name	Year	Fees Earned $ [1]	Share-based awards $	Option-based awards $	Non-equity Incentive plan compensation $	All Other Compensation $ (2)	Total $
Jean Charles Potvin	2018	88,000	-	-	-	66,686	154,686
Robert A. Cohen	2018	70,000	-	-	-	-	70,000
James Michael Johnston	2018	68,000	-	-	-	-	68,000
James P. Geyer	2018	74,000	-	-	-	71,529	145,529

(1) Represents cash fees granted as director during the year including committee fees.

(2) Other compensation for 2018 consists of payments under the Bonus Plan (please see "*2012 Bonus Pool Plan*" below for more information regarding the Bonus Plan) and Per Diem Travel, as follows:

	Bonus Plan	**Per Diem Travel**	**Total**
Jean Charles Potvin	$ 47,686	$ 19,000	$ 66,686
James P. Geyer	$ 71,529	-	$ 71,529

Certain NEOs, being Messrs. Coleman, Timm and Belanger, are also directors of the Company. None of such NEOs receive any additional compensation for acting as a director of the Company.

The following table sets forth information concerning all outstanding stock options to acquire Class A Shares granted to the directors as at December 31, 2018. No Share-based awards were outstanding as at December 31, 2018.

	Option-based Awards					Share-based Awards		
Name	Grant Date	Number of securities underlying unexercised options #	Option exercise price $	Option expiration Date	Value of unexercised in-the-money options $ [1]	Number of shares or units of shares that have not vested #	Market or payout value of share-based awards that have not vested $	Market or payout value of share-based awards not paid out or distributed $
Jean Charles Potvin	7/25/2014	25,000	4.02	7/25/2024	-	-	-	-
	6/29/2015	35,000	3.91	6/29/2025	-	-	-	-
	2/16/2017	200,000	3.15	2/16/2027	-	-	-	-
Total		260,000			-	-	-	-
Robert A. Cohen	5/1/2017	125,000	2.69	5/1/2027	-	-	-	-
Total		125,000			-	-	-	-
James Michael Johnston	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
James P. Geyer	7/25/2014	25,000	4.02	7/25/2024	-	-	-	-
	6/29/2015	35,000	3.91	6/29/2025	-	-	-	-
	2/16/2017	125,000	3.15	2/16/2027	-	-	-	-
Total		185,000			-	-	-	-

(1) The "Value of unexercised in-the-money options" was calculated by determining the difference between the market value of the securities underlying the option at the end of the financial year and the exercise price of such stock options. At December 31, 2018 the closing price of the Class A Shares on the OTCQX was $2.06.

Options Vested During the Year

The following table sets forth information for the directors other than the NEOs regarding the value of stock options vesting during 2018 for which there was none as the market price was less than the exercise price. There are no share-based awards outstanding, and no non-equity incentive plan compensation was earned during 2018.

Name	Option-based awards – Value vested during the year $	Share-based awards – Value vested during the year $	Non-equity incentive plan compensation – Value earned during the year $
J.C. Potvin [1]	-	-	-
Robert A. Cohen [2] [3]	-	-	-
James Michael Johnston	-	-	-
James P. Geyer [1]	-	-	-

(1) On February 16, 2018, the following stock options vested: Mr. Potvin 66,667 and Mr. Geyer 41,667, each with an exercise price of $3.15 per share and a market price of $2.67 per share.

(2) On May 1, 2018, 31,250 stock options vested for Mr. Cohen each with an exercise price of $2.69 per share and a market price of $2.48 per share.

(3) On November 1, 2018, 31,250 stock options vested for Mr. Cohen each with an exercise price of $2.69 per share and a market price of $2.50 per share.

Directors and Officers Insurance

The Company carries directors' and officers' liability insurance which is subject to a total aggregate limit of approximately $34 million. The annual premium for the latest policy period beginning April 2019 was $1,395,000. In addition, the Company elected to exercise its options to obtain additional run off/extended reporting period coverage of $8 million for six years (starting in 2018) at an annual cost of approximately $72,000, from its previous primary coverage provider.

2012 Bonus Pool Plan

The Board approved the 2012 Bonus Pool Plan ("**Bonus Plan**") in May 2012 to reward Bonus Plan participants, including NEOs, employees, directors and consultants, for their contributions to, among other things: (i) the development of the Brisas Project to the construction stage and subsequent issuance of the environmental permit to commence construction of the Brisas Project; (ii) the manner in which the Brisas Project development effort was carried out allowing the Company to present a compelling and vigorous defense of its arbitration claim; (iii) the support of the Company's execution of the arbitration proceedings through the filing of numerous memorandum and exhibits as well as the oral hearings; and (iv) the on-going efforts to assist with positioning the Company to collect, in the most optimum manner, any proceeds or other consideration related to the arbitration claim and/or sale of the Mining Data.

In January 2013 and September 2014, the Compensation Committee selected Bonus Plan participants and fixed their respective percentage of participation in the bonus pool and since September 2014 the Plan was 100% allocated to plan participants. In June 2018, the Board modified the Bonus Plan to increase the percentage participation of certain individuals who in the Board's opinion were not adequately recognized for their current contribution to efforts associated with the conclusion of the Settlement Agreement and the collection of the amounts contemplated thereunder. The effect of the Board's modification to the Bonus Plan is more fully described below. The Bonus Plan is administered by a committee, composed of one or more independent members of the Board, appointed from time to time by the Board. Participation in the Bonus Plan fully vests upon the participant's selection by the committee, subject to voluntary

termination of employment or termination for cause. Participants who reach age 65 and retire are fully vested and continue to participate in future distributions under the Plan.

Generally the bonus pool is established if and when the Company (i) recovers any settlement, award, or other payment made or other consideration transferred to the Company or any of its affiliates outside of Venezuela, arising out of, in connection with or with respect to the Arbitration Proceedings, including, but not limited to the proceeds received by the Company or its affiliates from a sale, pledge transfer or other disposition, directly or indirectly, of the Company's rights with respect to the Arbitration Proceedings; (ii) sells, pledges, transfers or disposes, directly or indirectly, of all or any portion of the Mining Data, or (iii) in the event the Company or its Shareholders, directly or indirectly, engage in any (a) merger, plan of arrangement or other business combination transaction involving the Company or any of its subsidiaries, (b) a sale, pledge, transfer or other disposition of 85% or more of the Company's then outstanding Class A Shares or (c) sale, pledge, transfer or other disposition, directly or indirectly, of all or substantially all of the assets of the Company ("**Enterprise Sale**").

The bonus pool is calculated on substantially the same terms as the Contingent Value Rights. In the case of the collection of the Award or disposition of the Mining Data, the bonus pool is comprised of the gross proceeds or the fair value of any consideration related to such transactions less certain deductions and applicable taxes and in the case of an Enterprise Sale the gross value of the transaction will be considered before any applicable taxes and after any Change of Control payments. The bonus pool, as originally structured, was comprised of the applicable gross proceeds or fair value realized less applicable taxes multiplied by 1% of the first $200 million and 5% thereafter. The effect of the Board's June 2018 modification was to increase the after tax percentage allocation for the first $200 million up to a maximum of 1.28% and the percentage allocation thereafter up to a maximum of 6.4%.

Based on the proceeds from the sale of the Mining Data and the receipt of payments associated with the Award, the Company in 2018 distributed to participants including the NEO's approximately $3.273 million, which is discussed in the compensation section.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS OTHER THAN SECURITIES PURCHASE PROGRAMS

As of the date hereof or at any time within thirty days prior to the date hereof, no executive officer, director, employee, or former executive officer, director or employee of the Company is or was indebted in respect of any purchase of securities or otherwise to the Company or to any other entity for which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

CORPORATE GOVERNANCE

Corporate Governance Matters

The Board and management of the Company recognize that effective corporate governance practices are fundamental to the long-term success of the Company. Sound corporate governance contributes to Shareholder value through increased confidence. The Board and management are therefore committed to maintaining a high standard of corporate governance and compliance with the applicable provisions of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Additionally, while not currently prescriptive, the Board and management consider and, where appropriate, implement the corporate governance guidelines suggested in National Policy 58-201 –*Corporate Governance Guidelines* ("**NP 58-201**"). The guidelines contained in NP 58-201 have been formulated to:

1. achieve a balance between providing protection to investors and fostering fair and efficient capital markets and confidence in capital markets;
2. be sensitive to the realities of the greater numbers of small companies and controlled companies in the Canadian corporate landscape;
3. take into account the impact of corporate governance developments in the U.S. and around the world; and
4. recognize that corporate governance is evolving.

Independence and Board Matters

The Board believes that Messrs. Potvin, Cohen, Geyer and Johnston are "independent" within the meaning of section 1.4 of Canadian National instrument 52-110 – Audit Committees ("**NI 52-110**") and section 1.2 of NI 58-101. The Board believes that the four directors are free from any interest and any business or other relationship that could, or could reasonably be perceived, to materially interfere with their ability to act independently from management or to act as a director with a view to the best interests of the Company, other than interests and relationships arising from shareholdings.

Currently, the positions of Chairman of the Board and CEO are separate. The Board does not have a policy on whether these roles should be separate or combined, but believes that the most effective leadership model for the Company at this time is to have these roles separated. While the current Chairman of the Board is non-independent by virtue of being an executive chairman, he currently remains responsible for providing leadership to the Board. The Board retains flexibility to determine whether these roles should be separate or combined in one individual in the future.

Each of the Audit Committee and the Compensation Committee are comprised of independent directors and such committees also hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Nominating Committee is comprised of a majority of independent directors. While the Board has not adopted a written mandate, the Board has adopted the Gold Reserve Inc. Code of Conduct and Ethics which can be found at www.goldreserveinc.com under Investor Relations – Corporate Governance and is available in print to any Shareholder who requests it from the Company by writing to us at Gold Reserve Inc., 999 W. Riverside Avenue, Suite 401, Spokane, WA 99201, Attn: Investor Relations.

Due to its current size, the Board does not currently provide an orientation and education program for specifically training new recruits to the Board. The Board does not provide a continuing education program for its directors. All directors are given direct access to management, which is encouraged to provide information on the Company and its business and affairs to directors. The Board believes that each of its directors maintain the skills and knowledge necessary to meet their obligations as directors.

Risk Oversight

The various committees of the Board assist the Board in its responsibility for oversight of risk management. In particular, the Audit Committee focuses on major financial risk exposures, the steps management has taken to monitor and control such risks, and, if appropriate, discusses with the independent auditor the guidelines and policies governing the process by which senior management and the relevant departments of the Company assess and manage the Company's financial risk exposure and operational/strategic risk. The Company believes this arrangement maximizes the risk oversight benefit while providing for an appropriate leadership structure.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee of the Board operates within a written mandate, as approved by the Board, which describes the Audit Committee's objectives and responsibilities. The full text of the Audit Committee Charter, as amended as of August 2014, is attached as Appendix A to this Circular.

Membership and Role of the Audit Committee

The Audit Committee consists of Jean Charles Potvin (Chairman), James P. Geyer and James Michael Johnston. The Board has determined each member of the Audit Committee to be "independent" and "financially literate" as such terms are defined under Canadian securities laws. Further, each member of the Audit Committee satisfies the definition of "independent" director as established under the SEC rules. In addition, each member of the Audit Committee is financially literate and the Board has determined that Mr. Potvin qualifies as an audit committee "financial expert" as defined by SEC rules. The Board has made these determinations based on the education and experience of each member of the Audit Committee.

Mr. Potvin is Director and Chairman of Murchison Minerals Ltd. (formerly Flemish Gold Corp.) and Director and Chairman of the audit committee of Azimut Exploration Ltd., a publicly listed mineral exploration company. Mr. Potvin holds a Bachelor of Science degree in Geology from Carleton University and an MBA from the University of Ottawa. He spent nearly 14 years as a mining investment analyst for a large Canadian investment brokerage firm (Burns Fry Ltd., now BMO Nesbitt Burns Inc.). Mr. Potvin has been a member of the Audit Committee since August 2003.

Mr. Geyer has a Bachelor of Science in Mining Engineering from the Colorado School of Mines, has 41 years of experience in underground and open pit mining and has held engineering and operations positions with a number of companies including AMAX and ASARCO. Mr. Geyer is a former Director of Thompson Creek Metals Inc., where he was previously a member of the audit committee. Mr. Geyer has been a member of the Audit Committee since March 19, 2015.

Mr. Johnston co-founded Steelhead Partners LLC in late 1996 to form and manage the Steelhead Navigator Fund. Prior to that time, Mr. Johnston co-managed over $5 billion in corporate bonds and also managed an equity portfolio in his role as senior vice president and senior portfolio manager at Loews Corporation. He began his investment career at Prudential Insurance as a high yield and investment-grade credit analyst. Mr. Johnston was promoted to co-portfolio manager of an $11 billion fixed income portfolio in 1991. He graduated with honors from Texas Christian University with a degree in finance and completed his MBA at the Johnson Graduate School of Business at Cornell University.

The Audit Committee met four times during 2018 at which attendance, in person or by phone, averaged 83%. The Audit Committee's principal functions are to assist the Board in fulfilling its oversight responsibilities, and to specifically review: (i) the integrity of the Company's financial statements; (ii) the independent auditor's qualifications and independence; (iii) the performance of the Company's system of internal audit function and the independent auditor; and (iv) compliance with laws and regulations, including disclosure controls and procedures.

The Audit Committee reviews the Company's financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements, the reporting process and maintaining an effective system of internal control over financial reporting. The Company's independent auditors are engaged to audit and express opinions on the conformity of the Company's financial statements to accounting principles generally accepted in the United States, and the effectiveness of its internal control over financial reporting.

External Auditor Service Fees

Fees paid to the Company's independent external auditor, PricewaterhouseCoopers LLP, for the fiscal years ended December 31, 2018 and 2017 are detailed in the following table:

Fee Category	Year Ended 2018	Year Ended 2017
Audit Fees[1]	$ 162,756	$ 134,745
Audit Related Fees [2]	$ 41,084	$ 66,038
Tax Fees [3]	$ 74,307	$ 111,340
All Other Fees	-	3,455
Total	$ 278,147	$ 315,578

All fees for services performed by the Company's external auditors during 2018 were pre-approved by the Audit Committee.

(1) Audit fees were for professional services rendered by PricewaterhouseCoopers LLP for the audit of the Company's annual financial statements.

(2) Audit-related fees were for the review of the Company's quarterly financial statements and services provided in respect of other regulatory-required auditor attest functions associated with government audit reports, registration statements, prospectuses, periodic reports and other documents filed with securities regulatory authorities or other documents issued in connection with securities offerings.

(3) Tax fees were for services outside of the audit scope and represented consultations for tax compliance and advisory services relating to common forms of domestic and international taxation.

Pre-approval Policies and Procedures

The Audit Committee has adopted policies and procedures for the pre-approval of services performed by the Company's external auditors, with the objective of maintaining the independence of the external auditors. The Company's policy requires that the Audit Committee pre-approve all audit, audit-related, tax and other permissible non-audit services to be performed by the external auditors, including all engagements of the external auditors with respect to the Company's subsidiaries. Prior approval of engagements for services other than the annual audit may, as required, be approved by the Chair of the Audit Committee with the provision that such approvals be brought before the full Audit Committee at its next regular meeting. The Company's policy sets out the details of the permissible non-audit services consistent with the applicable Canadian independence standards for auditors. The CFO presents the details of any proposed assignments of the external auditor for consideration by the Audit Committee. The procedures do not include delegation of the Audit Committee's responsibilities to management of the Company.

EXECUTIVE COMMITTEE

The Executive Committee is currently composed of the following three (3) directors:

James H. Coleman (Chair)

Rockne J. Timm

A. Douglas Belanger

The responsibility of the Executive Committee is to handle routine day-to-day business issues affecting the Company in between board meetings and to vet more important matters prior to presentation to the full Board for deliberation. The Executive Committee meets in person or by phone on an as needed basis.

NOMINATING COMMITTEE

Nominating Committee Charter

The Nominating Committee of the Board operates within a written mandate, as approved by the Board, which describes the Nominating Committee's objectives and responsibilities. The full text of the Nominating Committee Charter is available on the Company's website, www.goldreserveinc.com, under the Investor Relations – Governance section and is available in print to any Shareholder who requests it from the Company by writing to us at Gold Reserve Inc., 999 W. Riverside, Suite 401, Spokane, WA 99201, Attn: Investor Relations.

Membership and Role of the Nominating Committee

The Nominating Committee is currently composed of the following three (3) directors:

James H. Coleman (Chair)
Robert A. Cohen, and
Jean Charles Potvin

Pursuant to the written mandate of the Nominating Committee, as amended, a majority of the members of the Nominating Committee are required to be independent and the Board has determined that a majority of the members satisfy the definition of "independent" director as established under NI 58-101 (i.e. other than James H. Coleman).

The Nominating Committee assists the Board in fulfilling its responsibilities with respect to the composition of the Board, including recommending candidates for election or appointment as director of the Company.

In considering and identifying new candidates for Board nomination, the Board, where relevant, addresses succession and planning issues; identifies the mix of expertise and qualities required for the Board; assesses the attributes new directors should have for the appropriate mix to be maintained; arranges for each candidate to meet with the Board Chair and the CEO; recommends to the Board as a whole proposed nominee(s) and arranges for their introduction to as many Board members as practicable; and encourages diversity in the composition of the Board.

COMPENSATION COMMITTEE

The Compensation Committee is currently composed of the following three (3) directors:

Jean Charles Potvin (Chair)

James P. Geyer

James Michael Johnston

For more information regarding the Compensation Committee, please see "*Compensation Discussion and Analysis – Compensation Committee*" above.

LEGAL COMMITTEE

The Legal Committee of the Board was created to review and monitor the Company's legal position in respect of Board matters, matters related to enforcement of the Award, matters related to the Settlement Agreement and ancillary matters, matters related to Siembra Minera and the Barbados Subsidiaries, and all other legal matters arising out of the business of the Company, as well as liaising with legal counsel.

The Legal Committee is currently composed of the following three (3) directors:

Robert A. Cohen (Chair)
James H. Coleman
Rockne J. Timm

MINING COMMITTEE

The Mining Committee of the Board was created to review and monitor all mining activities related to the Barbados Subsidiaries and Siembra Minera and acting as an intermediary between the interactions between the Barbados Subsidiaries and the Board.

The Mining Committee is currently composed of the following three (3) directors:

James P. Geyer (Chair)
Jean Charles Potvin
A. Douglas Belanger

FINANCIAL MARKETS COMMITTEE

The Financial Markets Committee of the Board was created to evaluate the Company's external financial obligations with respect to debt and/or equity issues and to evaluate and review: the listing status of the Company's securities; the Company's public and investment market disclosure; and the Company's relationships with investment banks and mining analysts as well as the Shareholders.

The Financial Markets Committee is currently composed of the following two (2) directors:

Jean Charles Potvin (Chair)
A. Douglas Belanger

BARBADOS COMMITTEE

The Barbados Committee of the Board was created to review and monitor the activities of the Barbados Subsidiaries and related transactions and activities with Siembra Minera.

The Barbados Committee is currently composed of the following two (2) directors:

A. Douglas Belanger (Chair)
James H. Coleman

ADDITIONAL INFORMATION

Applicable Canadian securities laws require listed corporations to disclose their approach to corporate governance. The Company's disclosure in this regard is set out in Appendix B to this Circular.

COMMUNICATION WITH BOARD MEMBERS

Any Shareholder or other interested party that desires to communicate with the Board or any of its specific members, including the chairman or the non-management directors as a group, should send their communication to the Secretary, Gold Reserve Inc., 999 W. Riverside Avenue, Suite 401, Spokane, Washington 99201. All such communications will be forwarded to the appropriate members of the Board.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No proposed nominee for election as a director of the Company and no person who has been a director or senior officer of the Company at any time since the beginning of the last financial year, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the Return of Capital Transaction, to the extent such persons are Shareholders. See "*Item 4 – Return of Capital Transaction –Director and Officer Class A Share Ownership*".

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or any proposed director of the Company, or any of the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Company or any of its subsidiaries.

For the purposes of the above, "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

ANY OTHER MATTERS

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Annual General and Special Meeting of Shareholders accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information about the Company may be found on the SEDAR website at www.sedar.com, on the SEC's website at www.sec.gov and on the Company's website at www.goldreserveinc.com. Additional financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for its year ended December 31, 2018, as contained in the 2018 Annual Report on Form 40-F filed with the SEC on or before April 30, 2019. A copy of this document and other public documents of the Company are available upon request to:

Gold Reserve Inc.
Attention: Robert A. McGuinness
999 W. Riverside Avenue, Suite 401
Spokane, Washington 99201
Phone: (509) 623-1500
Fax: (509) 623-1634

APPROVAL AND CERTIFICATION

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

Dated at Spokane, Washington this 30th day of April 2019.

(signed) "*Rockne J. Timm*"
Rockne J. Timm
Chief Executive Officer

(signed) "*Robert A. McGuinness*"
Robert A. McGuinness
Vice President Finance and Chief Financial Officer

APPENDIX A

GOLD RESERVE INC.
(the "Company")

CHARTER OF THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS (the "Board")

As Amended and Restated August 2014

Purpose

The primary purposes of the Audit Committee (the "**Committee**") are to assist the Board in fulfilling its oversight responsibilities and to oversee, on behalf of the Board, the Company's accounting and financial reporting and internal control processes, financial statements and information, and compliance with regulatory requirements associated with such financial statements and information. More specifically, the purpose of the Committee is to satisfy itself that:

- the Company's annual financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to the Board whether the annual financial statements should be approved;
- the information contained in the Company's quarterly financial statements, annual report to shareholders and other financial publications, such as management's discussion and analysis ("**MD&A**"), is complete and accurate in all material respects and to approve these materials;
- the Company has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance with legal and regulatory requirements; and
- the internal and external audit functions have been effectively carried out and that any matter that the internal or the independent auditors wish to bring to the attention of the Board has been addressed. The Committee will also recommend to the Board the re-appointment or appointment of auditors and their remuneration.

The Committee's function is one of oversight only and does not relieve management of its responsibilities for preparing financial statements that accurately and fairly present the Company's financial results and condition, nor the independent auditors of their responsibilities relating to the audit or review of financial statements.

Organization

The Committee shall consist of at least three directors. The Board shall designate a Committee member as the chairperson of the Committee, or if the Board does not do so, the Committee members shall appoint a Committee member as chairperson by a majority vote of the authorized number of Committee members. The Chair shall be an "audit committee financial expert" as defined by securities laws applicable to the Company.

All Committee members shall be "independent," as that term is defined under securities laws applicable to the Company. Furthermore, each Committee member shall be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Board may replace, remove and appoint Committee members at any time and any Committee member who ceases to be a director of the Company shall immediately cease to be a member of the Committee. Committee members shall serve for such terms as may be fixed by the Board, and in any case, at the will of the Board whether or not a specific term is fixed.

Independent Auditors and Their Services

The Committee shall recommend to the Board the nomination, compensation, retention, termination and evaluation, and shall be directly responsible for overseeing the work, of the independent auditors engaged by the Company for the purposes of preparing or issuing an auditor's report or related work or performing other audit, review or attest services for the Company. The independent auditors shall report directly to the Committee. The Committee's authority includes the resolution of disagreements between management and the auditors regarding financial reporting.

The Committee shall pre-approve all audit, review, attest and permissible non-audit services to be provided to the Company or its subsidiaries by the independent auditors. The Chair may independently approve normal course services provided by the independent auditor with ratification and approval by the full committee at the next quarterly committee meeting. The Committee shall obtain and review, at least annually, a report by the independent auditors describing:

- the firm's internal quality-control procedures; and
- any material issue raised by the most recent internal quality-control review, or peer review, of the auditing firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

In addition, the Committee's annual review of the independent auditors' qualifications shall also include the review and evaluation of the lead partner of the independent auditors for the Company's account, and evaluation of such other matters as the Committee may consider relevant to the engagement of the auditors, including views of company management and internal finance employees, and whether the lead partner or auditing firm itself should be rotated.

Annual Financial Reporting

As often and to the extent the Committee deems necessary or appropriate, but at least annually in connection with the audit of each fiscal year's financial statements, the Committee shall:

1. Review and discuss with appropriate members of management the annual audited financial statements, related accounting and auditing principles and practices, and (when required of management under securities laws applicable to the Company and stock exchange requirements
   - which the Company's common shares are listed, as applicable) management's assessment of

   internal control over financial reporting and recommend to the Board whether such annual financial statements should be approved.
2. Timely request and receive from the independent auditors, the report (along with any required update thereto), to the extent such report is required by securities laws applicable to the Company and stock exchange requirements on which the Company's common shares are listed, as applicable, prior to the filing of an audit report, concerning:
   - all critical accounting policies and practices to be used;
   - all alternative treatments of financial information within generally accepted accounting principles for policies and practices relating to material items that have been discussed with company management, including ramifications of the use of such alternative disclosures and

treatments and the treatment preferred by the independent auditors; and

- other material written communications between the independent auditors and company management, such as any management letter or schedule of unadjusted differences.

3. Discuss with the independent auditors the matters required to be discussed by AICPA Statement
   - Auditing Standards No. 61, including such matters as:
   - the quality and acceptability of the accounting principles applied in the financial statements;
   - new or changed accounting policies, and significant estimates, judgments, uncertainties or unusual transactions;
   - the selection, application and effects of critical accounting policies and estimates applied by the Company;
   - issues raised by any "management" or "internal control" letter from the auditors, problems or difficulties encountered in the audit (including any restrictions on the scope of the work or on access to requested information) and management's response to such problems or difficulties, significant disagreements with management, or other significant aspects of the audit; and
   - any off-balance sheet transactions, and relationships with any unconsolidated entities or any other persons, which may have a material current or future effect on the financial condition or results of the Company and as may be required to be reported under securities laws applicable to the Company and stock exchange requirements on which the Company's common shares are listed, as applicable.
4. Review and discuss with appropriate members of management the Company's annual MD&A (or equivalent disclosures) and annual profit or loss press releases prior to their public disclosure and recommend to the Board whether such annual MD&A should be approved.
5. Receive from the independent auditors a formal written statement of all relationships between the auditors and the Company consistent with Independence Standards Board Standard No. 1.
6. Actively discuss with the independent auditors any disclosed relationships or services that may impact their objectivity and independence, and take any other appropriate action to oversee their independence.

Quarterly Financial Reporting

The Committee shall:

1. Review and discuss with appropriate members of management the quarterly financial statements
   - the Company, the results of the independent auditors' review of these financial statements and

   interim profit and loss press releases prior to their public disclosure.
2. Review and discuss with Company management and, if appropriate, the independent auditors, significant matters relating to:
   - the quality and acceptability of the accounting principles applied in the financial statements;
   - new or changed accounting policies, and significant estimates, judgments, uncertainties or unusual transactions;
   - the selection, application and effects of critical accounting policies and estimates applied by the Company; and
   - any off-balance sheet transactions and relationships with any unconsolidated entities or any

other persons which may have a material current or future effect on the financial condition or results of the Company and are required to be reported under securities laws applicable to the Company or stock exchange requirements on which the Company's common shares are listed, as applicable.

3. Review and discuss with appropriate members of management the Company's interim MD&A (or equivalent disclosures) and interim profit or loss press releases prior to their public disclosure and recommend to the Board whether such interim MD&A should be approved.

Other Functions

The Committee shall review and assess the adequacy of this charter annually, recommend any proposed changes to the full Board and, to the extent required, certify to any applicable securities regulator and stock exchange on which the Company's common shares are listed, if applicable, that the Committee reviewed and assessed the adequacy of the charter.

The Committee shall discuss with management "financial results" press releases (including the type and presentation of information to be included, paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information), and financial information and guidance or other forward-looking financial information provided to analysts and rating agencies or otherwise publicly disclosed. This may be conducted generally as to types of information and presentations, and need not include advance review of each release or other information or guidance.

The Committee, to the extent it deems necessary or appropriate, shall periodically review with management the Company's disclosure controls and procedures, internal control over financial reporting and systems and procedures to promote compliance with applicable laws and regulatory requirements, as applicable, and the Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to above with respect to annual and quarterly financial statements; and periodically assess the adequacy of such procedures.

The Committee shall periodically:

- inquire of management and the independent auditors about the Company's major financial risks or exposures;
- discuss the risks and exposures and assess the steps management has taken to monitor and control the risks and exposures; and
- discuss guidelines and policies with respect to risk assessment and risk management.

The Committee shall conduct any activities relating to the Company's code(s) of conduct and ethics as may be delegated, from time to time, to the Committee by the Board.

The Committee shall establish and maintain procedures for:

· the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and· the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

If the Committee so determines, the confidential, anonymous submission procedures may also include a method for interested parties to communicate directly with non-management directors.

The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company in compliance with the requirements set out in section 2.4 of Canadian National Instrument 52-110.

The Committee shall review and take appropriate action with respect to any reports to the Committee from internal or external legal counsel engaged by the Company concerning any material violation of securities law or breach of fiduciary duty or similar violation by the Company, its subsidiaries or any person acting on their behalf.

The Committee shall, from time to time as necessary, review the effect of regulatory and accounting initiatives on the financial statements of the Company. In addition, the Committee, as it considers appropriate, may consider and review with the full Board, company management, internal or external legal counsel, the independent auditors or any other appropriate person any other topics relating to the purposes of the Committee which may come to the Committee's attention.

The Committee may perform any other activities consistent with this charter, the Company's corporate governance documents and securities laws applicable to the Company and stock exchange requirements on which the Company's common shares are listed as the Committee or the Board considers appropriate.

Meetings, Reports and Resources

The Committee shall meet as often as it determines is necessary, but not less than quarterly. The Committee shall meet separately with management and the independent auditors, as the Committee deems necessary. In addition, the Committee may meet with any other persons, as it deems necessary.

The Committee may establish its own procedures, including the formation and delegation of authority to subcommittees, in a manner not inconsistent with this charter, the Company's constating documents or applicable corporate and securities laws and stock exchange requirements on which the Company's common shares are listed, as applicable. The chairperson or a majority of the Committee members may call meetings of the Committee. A majority of the authorized number of Committee members shall constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at a meeting at which a quorum is present shall be the act of the Committee, unless in either case a greater number is required by this charter, the Company's constating documents or securities laws applicable to the Company or stock exchange requirements on which the Company's common shares are listed, as applicable. The Committee shall keep written minutes of its meetings and deliver copies of the minutes to the corporate secretary for inclusion in the Company's corporate records.

If required by securities laws applicable to the Company or stock exchange requirements on which the Company's common shares are listed, the Committee shall prepare any audit committee report to be included in the Company's annual management information circular, and report to the Board on the other matters relating to the Committee or its purposes. The Committee shall also report to the Board annually the overall results of its annual review of the independent auditors' qualifications, performance and independence. The Committee shall also report to the Board on the major items covered by the Committee at each Committee meeting, and provide additional reports to the Board as the Committee may determine to be appropriate, including review with the full Board of any issues that arise from time to time with respect to the quality or integrity of the Company's annual and quarterly financial statements and other publicly disclosed financial information, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditors.

The Committee is at all times authorized to have direct, independent and confidential access to the independent auditors and to the Company's other directors, management and personnel to carry out the Committee's purposes. The Committee is authorized to conduct or authorize investigations into any matters relating to the purposes, duties or responsibilities of the Committee.

As the Committee deems necessary to carry out its duties, it is authorized to select, engage (including approval of the fees and terms of engagement), oversee, terminate, and obtain advice and assistance from outside legal, accounting, or other advisers or consultants. The Company shall provide for appropriate funding, as determined by the Committee and recommended to the Board, for payment of:

· compensation to the independent auditors for their audit and audit-related, review and attest services;

· compensation to any advisers engaged by the Committee; and

· ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Nothing in this charter is intended to preclude or impair the protection that may be provided under applicable law for good faith reliance by members of the Committee on reports or other information provided by others.

APPENDIX B

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

This Appendix describes the Company's corporate governance practices as required by Canadian National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") having regard to Canadian National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") which provides guidance on corporate governance practices. The Company's Board has reviewed this disclosure of the Company's corporate governance practices.

	Disclosure Requirement under Form 58-101F2	Company's Governance Practices
1. (i)	Disclose the identity of directors who are independent.	The Board of Directors (the "**Board**") of the Company believes that Messrs. Cohen, Geyer, Potvin and Johnston are "independent" within the meaning of section 1.4 of Canadian National instrument 52-110 – *Audit Committees* ("**NI 52-110**") and section 1.2 of NI 58-101, as none of them is, or has been within the last three years, an executive officer or employee of the Company or party to any material contract with the Company and none of them receive remuneration from the Company in excess of directors' fees and grants of stock options. The Board believes that the three directors are free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with their ability to act independently from management or to act as a director with a view to the best interests of the Company, other than interests and relationships arising from shareholdings.
(ii)	Disclose the identity of directors who are not independent, and describe the basis for that determination.	Three directors, Messrs. Coleman, Timm, and Belanger, are employees of the Company and therefore not considered independent.
2.	If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the	Such other directorships have been disclosed in "Business of the Meeting -Item 1 - Election of Directors" section of this Circular.

	Disclosure Requirement under Form 58-101F2	Company's Governance Practices
	other issuer.	
3.	Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.	Due to its current size, the Board does not currently provide an orientation and education program for specifically training new recruits to the Board. The Board does not provide a continuing education program for its directors. All directors are given direct access to management, which is encouraged to provide information on the Company and its business and affairs to directors. The Board believes that each of its directors maintain the skills and knowledge necessary to meet their obligations as directors.
4.	Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.	The Board has adopted the Gold Reserve Inc. Code of Conduct and Ethics (the "**Code**"), which can be found at www.goldreserveinc.com and is available in print to any Shareholder who requests it. All Company employees, including officers, and directors are expected to use sound judgment to help maintain appropriate compliance procedures and to carry out the Company's business with honesty and in compliance with laws and high ethical standards. Each employee and director is expected to read the Code and demonstrate personal commitment to the standards set forth in the Code.
5. (i)	Disclose what steps, if any, are taken to identify new candidates for board nomination, including who identifies new candidates.	The Nominating Committee assists the Board in fulfilling its responsibilities with respect to the composition of the Board, including recommending candidates for election or appointment as director of the Company.
(ii)	Disclose the process of identifying new candidates.	In considering and identifying new candidates for Board nomination, the Board, where relevant:

Disclosure Requirement under Form 58-101F2	Company's Governance Practices
	(a) addresses succession and planning issues; (b) identifies the mix of expertise and qualities required for the Board; (c) assesses the attributes new directors should have for the appropriate mix to be maintained; (d) arranges for each candidate to meet with the Board Chair and the CEO; (e) recommends to the Board as a whole proposed nominee(s) and arranges for their introduction to as many Board members as possible (f) encourages diversity in the composition of the board:
6. (i) Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including who determines compensation.	The Board reviews from time to time the compensation paid to directors and NEOs in order to ensure that they are being adequately compensated for the duties performed and the obligations they assume. The Board as a whole is responsible for determining the compensation paid to the directors.
(ii) Disclose the process of determining compensation.	The Board considers evaluations submitted by the Compensation Committee evaluating the Company's performance and the performance of its executive officers, and ratifies the cash and equity-based compensation of such executive officers approved by the Compensation Committee.
7. If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Executive Committee, which is comprised of Messrs. Coleman, Timm and Belanger, meets in person or by phone on a regular basis. Messrs. Coleman, Timm and Belanger are not considered independent directors within the definition in NI 52-110. The Executive Committee facilitates the Company's activities from an administrative perspective, but does not

Disclosure Requirement under Form 58-101F2	Company's Governance Practices
	supplant the full Board in the consideration of significant issues facing the Company. The Legal Committee, which is comprised of Messrs. Coleman, Cohen and Potvin, was created to review and monitor the Company's legal position in respect of Board matters, matters related to enforcement of the Award, matters related to the Settlement Agreement and ancillary matters, matters related to Siembra Minera and the Barbados Subsidiaries, and all other legal matters arising out of the business of the Company, as well as liaising with legal counsel. The Mining Committee, which is comprised of Messrs. Geyer, Potvin and Belanger, was created to review and monitor all mining activities related to the Barbados Subsidiaries and Siembra Minera and acting as an intermediary between the interactions between the Barbados Subsidiaries and the Board. The Financial Markets Committee, which is currently comprised of Messrs. Potvin and Belanger, was created to evaluate the Company's external financial obligations with respect to debt and/or equity issues and to evaluate and review: the listing status of the Company's securities; the Company's public and investment market disclosure;andtheCompany's relationships with investment banks and mining analysts as well as the Shareholders. The Barbados Committee, which is comprised of Messrs. Belanger and Coleman, was created to review and monitor the activities of the Barbados Subsidiaries and related transactions and activities with Siembra Minera. Due to its current size, the Board does not currently have a separate committee
8.Disclose what steps, if any, that the board takes to satisfy itself that the	

Disclosure Requirement under Form 58-101F2	Company's Governance Practices
board, its committees, and its individual directors are performing effectively.	for assessing the effectiveness of the Board as a whole, the committees of the Board, or the contribution of individual directors. The Board as a whole bears these responsibilities. The Board chair meets annually with each director individually to discuss personal contributions and overall Board effectiveness.

APPENDIX C

RETURN OF CAPITAL TRANSACTION SPECIAL RESOLUTION OF SHAREHOLDERS

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

(1) the arrangement (the "**Arrangement**") pursuant to section 193 of the *Business Corporations Act* (Alberta) (the "**Act**"), as more particularly described and set forth in the accompanying management information circular (as the Arrangement may be, or have been, modified or amended), is hereby authorized, approved and adopted;

(2) the plan of arrangement involving Gold Reserve Inc. (the "**Company**") and implementing the Arrangement (the "**Plan of Arrangement**"), the full text of which is set out as Appendix D to the accompanying management information circular (as the Plan of Arrangement may be, or may have been, modified or amended), is hereby authorized, approved and adopted;

(3) the Company is hereby authorized and approved to apply for a final order from the Alberta Court of Queen's Bench (the "**Court**") to approve the Arrangement on the terms set forth in the Plan of Arrangement;

(4) notwithstanding that this resolution has been passed (and the Arrangement adopted) by the holders of Class A common shares of the Company (the "**Shareholders**") or that the Arrangement has been approved by the Court, the board of directors of the Company is hereby authorized and empowered in its sole discretion without further notice to, or the approval of, the Shareholders (a) to amend the Plan of Arrangement, or (b) to not proceed with the Arrangement;

(5) any director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver articles of arrangement and such other documents as are necessary or desirable to the Director under the Act to implement the Arrangement; and

(6) any director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents, agreements and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX D

PLAN OF ARRANGEMENT UNDER SECTION 193 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, the following terms have the following meanings:

(a) "**Act**" means the *Business Corporations Act* (Alberta), as amended;
(b) "**Aggregate Cash Distribution Amount**" means the Cash Distribution Per Share multiplied by the number of Class A Shares issued and outstanding immediately prior to the Effective Time;
(c) "**Arrangement**" means the arrangement pursuant to the provisions of Section 193 of the Act on the terms and subject to the conditions set out in this Plan of Arrangement as supplemented, modified or amended;
(d) "**Business Day**" means any day, other than a Saturday, a Sunday, a statutory holiday in Calgary, Alberta, Toronto, Ontario, or a United States federal holiday;
(e) "**Cash Distribution Per Share**" means approximately $0.76;
(f) "**Class A Shares**" means the Class A common shares in the capital of the Company;
(g) "**Class C Shares**" has the meaning ascribed thereto in Section 2.2(a);
(h) "**Company**" means Gold Reserve Inc.;
(i) "**Court**" means the Alberta Court of Queen's Bench;
(j) "**Depositary**" means Computershare Trust Company of Canada at its offices set out in the Letter of Transmittal;
(k) "**DRS**" means the direct registration system on the records of the Company's transfer agent, Computershare Trust Company of Canada;
(l) "**Effective Date**" means the date the Arrangement is effective under the Act;
(m) "**Effective Time**" means 12:01 a.m. (Pacific daylight time) on the Effective Date, or such other time on the Effective Date as may be determined by the Company;
(n) "**Interim Order**" means the interim order of the Court dated April 16, 2019 under Subsection 193(4) of the Act containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(o) "**Letter of Transmittal**" means the letter of transmittal for use by Shareholders, in the form accompanying the Circular;

(p) "**Meeting**" means the special meeting of Shareholders to be held on June 13, 2019 to consider, among other things, the Arrangement and related matters, and any adjournment thereof;

(q) "**Person**" means and includes any individual, sole proprietorship, partnership, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and any governmental authority or any agency or instrumentality thereof;

(r) "**Plan of Arrangement**" means this plan of arrangement, as amended or supplemented from time to time in accordance with the terms hereof;

(s) "**PUC**" means "paid-up capital" as defined in subsection 89(1) of the Tax Act;

(t) "**Shareholders**" means the holders of Class A Shares;

(u) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp), as amended;

(v) "**TSXV**" means the TSX Venture Exchange.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Article References

Unless reference is specifically made to some other document or instrument, all references herein to Articles and Sections are to Articles and Sections of this Plan of Arrangement.

1.4 Number and Gender

Unless the context otherwise requires, words importing the singular shall include the plural and vice versa; and words importing any gender shall include all genders.

1.5 Date for Any Action

In the event that the date on which any action is required to be taken pursuant to this Plan of Arrangement by the Company is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 Statutory References

References in this Plan of Arrangement to any statute or section thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.7 Currency

Unless otherwise indicated, references in this Plan of Arrangement to "$" or "dollars" are in U.S. dollars.

1.8 Schedules

The following schedules to this Plan of Arrangement are incorporated by reference herein and form part of this Plan of Arrangement.

Schedule "A" Rights, privileges, restrictions and conditions attaching to the Class C Shares

ARTICLE 2
ARRANGEMENT

2.1 Binding Effect

This Plan of Arrangement and the Arrangement will become effective at, and be binding at and after, the Effective Time on the Shareholders and the Company, without any further act or formality on the part of any Person, except as otherwise provided herein.

2.2 Arrangement

Commencing at the Effective Time the following events or transactions shall occur and shall be deemed to occur in the following sequence without any further act or formality:

(a) the articles of continuance of the Company will be amended to create and authorize the issuance of an unlimited number of Class C common shares in the capital of the Company (the "**Class C Shares**"), with rights, privileges, restrictions and conditions as set out in Schedule "A" hereto;

(b) each issued and outstanding Class A Share will be exchanged for (i) the Cash Distribution Per Share, and (ii) a Class C Share, and the Class A Shares so exchanged will be cancelled;

(c) in connection with the exchange of Class A Shares for the Cash Distribution Per Share and Class C Shares, the Company will deduct from the stated capital of the Class A Shares an amount equal to the aggregate stated capital, immediately before the exchange, of the Class A Shares;

(d) the Company will add to the stated capital account of the Class C Shares an amount in Canadian dollars equal to the difference between (i) the aggregate PUC of the Class A Shares immediately before the exchange, and (ii) the Aggregate Cash Distribution Amount as converted into Canadian dollars using the average daily exchange rate as reported by the Bank of Canada on the Effective Date;

(e) each Class C Share will be exchanged for one Class A Share, and the Class C Shares so exchanged will be cancelled;

(f) in connection with the exchange of Class C Shares for Class A Shares, an amount equal to the aggregate stated capital of the Class C Shares immediately before the exchange will be deducted by the Company from the stated capital of the Class C Shares and the

Company will add that amount to the stated capital of the Class A Shares in respect of the Class A Shares that are issued in exchange for the Class C Shares; and

(g) the articles of continuance of the Company will be amended to delete the amendments made to the authorized capital of the Company pursuant to Section 2.2(a), such that the articles of continuance of the Company as so amended will be the articles of the Company as they read immediately before the Effective Time.

2.3 Post-Effective Time Procedures

On or immediately prior to the Effective Date, the Company shall deposit or cause to be deposited with the Depositary the Aggregate Cash Distribution Amount and the Class A Shares that the Shareholders are entitled to receive pursuant to Section 2.2.

The Class A Shares and cash deposited with the Depositary pursuant to this Section 2.3 shall be held by the Depositary as agent and nominee for the Shareholders for distribution to such Shareholders in accordance with the provisions of Article 3.

ARTICLE 3
DELIVERY OF CONSIDERATION

3.1 Delivery of Class A Shares and Cash

(a) As soon as practicable following the Effective Time, the Depositary shall deliver to each registered Shareholder a cheque for the portion of the Aggregate Cash Distribution Amount that it is entitled to receive pursuant to Section 2.2(b), unless such Shareholder requests that such cash be paid by wire payment and properly completes any documents and takes all action that the Depositary may reasonably require in connection with such request.

(b) As soon as practicable following the Effective Time, the Depositary shall deliver to each registered Shareholder holding Class A Shares in DRS a new DRS statement, reflecting the new CUSIP number for the Class A Shares, representing the number of Class A

Shares such Shareholder is entitled to receive under this Plan of Arrangement.

(c) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Class A Shares, together with a duly completed and executed Letter of Transmittal, and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered Class A Shares shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder as soon as practicable following the Effective Time a new DRS statement (or a new share certificate, if requested by such Shareholder in its Letter of Transmittal), reflecting the new CUSIP for the Class A Shares, representing the number of Class A Shares such holder is entitled to receive under this Plan of Arrangement.

(d) After the Effective Time and until surrendered for cancellation as contemplated by Section 3.1(c), each certificate which immediately prior to the Effective Time represented one or more Class A Shares shall be deemed at all times to represent only the right to receive in exchange therefor the entitlements which the holder of such certificate is entitled to receive in accordance with Section 3.1(c).

3.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more Class A Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange therefor the Class A Shares and/or the cash amount that such Person is entitled to receive under Section 3.1(c). When authorizing the delivery of such Class A Shares and/or cash in exchange for any lost, stolen or destroyed certificate, the Person to whom such Class A Shares and/or cash are being delivered shall, as a condition precedent to the delivery thereof, give a bond satisfactory to the Depositary and the Company in such sum as the Depositary or the Company may direct or otherwise indemnify the Depositary and the Company in a manner satisfactory to the Depositary and the Company against any claim that may be made against the Depositary or the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

3.3 Withholding Rights

The Company and the Depositary shall be entitled to deduct and withhold from any payment, dividend, distribution or consideration otherwise payable to any Shareholder such amounts as the Company or the Depositary is required to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

3.4 Extinction of Rights

On the sixth anniversary of the Effective Date, any Shareholder that has not claimed its portion of the Aggregate Cash Distribution Amount will cease to have any rights thereto. Any such unclaimed portion of the Aggregate Cash Distribution Amount shall be deemed to have been surrendered to the Company and shall be transferred to the Company from the Depositary as soon as practicable following the sixth anniversary of the Effective Date. For greater certainty, any Shareholder that has not deposited its certificate which immediately prior to the Effective Time represented outstanding Class A Shares that were exchanged pursuant to Section 2.2, together with all other instruments required by Section 3.1, on or prior to the sixth anniversary of the Effective Date shall continue to be entitled to the Class A Shares that it is entitled to receive pursuant to Section 2.2, together with all entitlements to dividends, distributions (other than the Cash Distribution Per Share) and interest thereon held for such registered holder.

3.5 Illegality of Delivery of Class A Shares

Notwithstanding the foregoing, if it appears to the Company that it would be contrary to applicable law to issue Class A Shares pursuant to the Arrangement to a Person that is not a resident of Canada, the Class A Shares that otherwise would be issued to that Person will be issued to the Depositary (as agent for that purpose) for sale by the Depositary on behalf of that Person. All Class A Shares so issued to the Depositary will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the Depositary determines in its sole discretion. The Depositary shall not be obligated to seek or obtain a minimum price for any of the Class A Shares sold by it. Each such Person will receive a pro rata share of the cash proceeds from the sale of the Class A Shares sold by the Depositary (less commissions, other reasonable expenses incurred in connection with the sale of the Class A Shares and any amount withheld in respect of taxes) in lieu of the Class A Shares themselves. The net proceeds will

be remitted in the same manner as other payments pursuant to this Article 3. None of the Company or the Depositary will be liable for any loss arising out of any such sales.

ARTICLE 4
AMENDMENTS

4.1 Amendments to Plan of Arrangement

(a) The Company reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) filed with the Court and, if made following the Meeting, approved by the Court, and (iii) communicated to Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Meeting with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if (i) it is consented to by the Company, and (ii) if required by the Court, it is consented to by the holders of Class A Shares voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made unilaterally by the Company, without shareholder or Court approval, provided that it concerns a matter which, in the reasonable opinion of the Company, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement or includes a change to the sequence of the events of transactions contemplated by Section 2.2 and, in each case, is not adverse to the financial or economic interests of any holder of Class A Shares.

ARTICLE 5
FURTHER ASSURANCES

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order as set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

Schedule A

GOLD RESERVE INC.
(the "Company")

Share Terms for Class C Shares

All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Certificate and Articles of Continuance of the Company dated September 9, 2014.

Class C Shares

The rights, privileges, restrictions and conditions attaching to the Class C Shares are as follows:

1. Ranking of Class C Shares

The Class C Shares shall rank junior to the Preference Shares and shall rank equally with the Class A Shares with respect to the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs.

2. Notice of Meetings and Voting Rights

Except for meetings of holders of a particular class or series of shares other than the Class C Shares required by Applicable Laws to be held as a separate class or series meeting, the holders of the Class C Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Company and at any such meeting to vote on all matters submitted to a vote on the basis of one vote for each Class C Share held.

3. Dividends

Subject to the rights, privileges, restrictions and conditions attaching to the Preference Shares and to Applicable Laws, the holders of the Class C Shares shall be entitled to receive and the Company shall pay thereon, if, as and when declared by the Board of Directors out of the assets of the Company properly applicable to the payment of dividends, dividends in such amounts and payable in such manner as the Board of Directors may from time to time determine.

4. Liquidation, Dissolution and Winding Up

Subject to the rights, privileges, restrictions and conditions attaching to the Preference Shares, upon the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or in the event of any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Class C Shares and the Class A Shares shall be entitled to share equally, on a share for share basis, in all remaining property and assets of the Company.

5. Conversion into Class A Shares

Any holder of Class C Shares shall be entitled at any time (subject as hereinafter provided) to have all or any of the Class C Shares held by such holder converted into Class A Shares as the same shall be constituted at the time of the conversion on the basis of one Class C Share for each one Class A Share in respect of which the conversion right is exercised. The right of conversion herein provided for may be

exercised by notice in writing given to the Company at its registered office accompanied by the certificate or certificates, or direct registration system statement or statements, as applicable, representing the Class C Shares in respect of which the holder thereof desires to exercise such right of conversion and such notice shall be signed by the person registered on the books of the Company as the holder of the Class C Shares in respect of which such right is being exercised or by such person's duly authorized attorney and shall specify the number of Class C Shares which the holder desires to have converted. Upon receipt of such notice the Company shall issue certificates, or direct registration system statements, as applicable, representing Class A Shares upon the basis above prescribed and in accordance with the provisions hereof to the registered holder of the Class C Shares represented by the certificate or certificates, or direct registration system statement or statements, as applicable, accompanying such notice. If less than all the Class C Shares represented by any certificate, or direct registration system statement, as applicable, are to be converted, the holder shall be entitled to receive a new certificate, or direct registration system statement, as applicable, for the Class C Shares representing the Class A Shares comprised in the original certificate, or direct registration system statement, as applicable, which are not to be converted.

APPENDIX E

INTERIM ORDER

Clerk's stamp

Court File Number	1901-05177
Court	COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre	Calgary
Matter	IN THE MATTER OF SECTION 193 OF THE BUSINESS CORPORATIONS ACT, RSA 2000, c B-9, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING GOLD RESERVE INC.
Applicant	Gold Reserve Inc.
Respondent	Not Applicable
Document	INTERIM ORDER
Address for Service and Contact Information of Party Filing this Document	NORTON ROSE FULBRIGHT CANADA LLP Suite 3700, 400-3rd Avenue SW Calgary, Alberta T2P 4H2 Solicitor: Steven Leiti Telephone: (403) 267-8140 Facsimile: (403) 264-5973 Email: steven.leitl©nortonrosefulbright.com File Number: 1000287173

DATE ON WHICH ORDER WAS PRONOUNCED: April 16, 2019

NAME OF JUDGE WHO MADE THIS ORDER: LOCATION OF HEARING: Justice G. A. Campbell Calgary, Alberta

UPON the Originating Application (the "Originating Application") of Gold Reserve Inc. (the "Applicant");

AND UPON being advised that it is the intention of the Applicant to rely upon

Section 3(a)(10) of the United States Securities Act of 1933 (the "1933 Act") as a basis

for an exemption from the registration requirements of the 1933 Act with respect to securities of the Applicant issued under the proposed Arrangement (as defined below) based on the Court's approval of the Arrangement;

AND UPON reading the Originating Application, the affidavit of James H.

Coleman, sworn April 10, 2019 (the "Affidavit") and the documents referred to therein;

AND UPON HEARING counsel for the Applicant;

FOR THE PURPOSES OF THIS ORDER:

(a) the capitalized terms not defined in this Order (the "Order") shall have the meanings attributed to them in the draft information circular of the Applicant which is attached as Exhibit "A" to the Affidavit; and

(b) all references to "Arrangement" used herein mean the arrangement as set forth in the plan of arrangement attached as Appendix D to the information circular of the Applicant (the "Information Circular").

IT IS HEREBY ORDERED THAT:

General

1. The Applicant shall seek approval of the Arrangement as described in the Information Circular by the holders (the "Securityholders") of Class A Common Shares (the "Class A Shares") in the manner set forth below.

The Meeting

2. The Applicant shall call and conduct a special meeting (the "Meeting") of Securityholders on or about June 13, 2019. At the Meeting, the Securityholders will consider and vote upon a resolution to approve the Arrangement substantially in the form attached as Appendix C to the Information Circular (the "Arrangement Resolution") and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

3. A quorum at the Meeting shall be at least two persons present in person, each being a Securityholder entitled to vote thereat or a duly appointed proxy or representative for an absent Securityholder so entitled, and representing in the aggregate not less than five percent (5%) of the outstanding Class A Shares carrying voting rights at the meeting, provided that, if there should be only one Securityholder entitled to vote at any meeting of Securityholders, the quorum for the transaction of business at the meeting of Securityholders shall consist of the one Securityholder.

4. If within 30 minutes from the time appointed for the Meeting, a quorum is not present, the Meeting shall stand adjourned to a date not less than two (2) and not more than 30 days later, as may be determined by the Chair of the Meeting. No notice of the adjourned meeting shall be required and, if at such adjourned meeting a quorum is not present, the Securityholders present at the adjourned meeting in person or represented by proxy shall constitute a quorum for all purposes.

5. Each Class A Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting.
6. The record date for Securityholders entitled to receive notice of and vote at the Meeting shall be April 24, 2019 (the Record Date").
7. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of the Applicant in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the

ABCA or the articles or by-laws of the Applicant, the terms of this Order shall

govern.

Conduct of the Meeting

8. The only persons entitled to attend the Meeting shall be Securityholders or their authorized proxy holders, the Applicant's directors and officers and its auditors, the Applicant's legal counsel, the Director, and such other persons who may be permitted to attend by the Chair of the Meeting.

9. The number of votes required to pass the Arrangement Resolution shall be not less than two-thirds of the votes cast by Securityholders present in person or represented by proxy at the Meeting.

10. To be valid, a proxy must be deposited with the Applicant's transfer agent,

Computershare Trust Company of Canada, in the manner described in the

Information Circular.

11. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.

12. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postposed, as the context allows.

Amendments to the Arrangement

13. The Applicant is authorized to make such amendments, revisions or supplements to the Arrangement as it may determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in

the manner contemplated by the Arrangement. The Arrangement so amended,

revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to

return to this Court to amend this Order.

Amendments to Meeting Materials

14. The Applicant is authorized to make such amendments, revisions or supplements ("Additional Information") to the Information Circular, form of proxy ("Proxy"), notice of the Meeting ("Notice of Meeting"), form of letter of transmittal ("Letter of Transmittal") and notice of Originating Application ("Notice of Originating Application") as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been disclosed in the Information Circular, then:

(a) the Applicant shall advise the Securityholders of the material change or material fact by disseminating a news release (a "News Release") in accordance with applicable securities laws and the policies of the TSX Venture Exchange; and

(b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Securityholders or otherwise give notice to the Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

Notice

15. The Information Circular, substantially in the form attached as Exhibit "A" to the

Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Proxy, and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable, including the Letter of Transmittal (collectively, the "Meeting Materials"), shall be sent to those Securityholders who hold Class A Shares, as of the Record Date, the directors of the Applicant, the auditors of the Applicant, and the Director by one or more of the following methods:

(a) in the case of registered Securityholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as of the Record Date not later than 21 days prior to the Meeting;

(b) in the case of non- registered Securityholders, by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54 -101— Communication With Beneficial Owners of Securities of a Reporting Issuer; and

(c) in the case of the directors and auditors of the Applicant, by email, pre paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting.

16. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Securityholders, the directors and auditors of the Applicant of:

(a) the Originating Application;

(b) this Order; and
(c) the Notice of the Meeting.

Final Application

17. Subject to further order of this Court, and provided that the Securityholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final Order of the Court approving the Arrangement (the "Final Order") on June 13, 2019 at 2:00 p.m. (Calgary time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the articles of arrangement, the Applicant, all Securityholders and all other persons affected will be bound by the Arrangement in accordance with its terms.

18. Any Securityholder or other interested party (each an 'Interested Party") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 2:00 p. m. (Calgary time) on June 7, 2019, a notice of intention to appear ("Notice of Intention to Appear") including the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the Applicant shall be effected by service upon the solicitors for the Applicant, Norton Rose Fulbright Canada LLP, Suite 3700, 400-3rd Avenue SW, Calgary, Alberta T2P 4H2, Attn: Steven Leiti.

19. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 18 of this Order, shall have notice of the adjourned date.

Leave to Vary Interim Order

20. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

Justice of the Court
of Queen's Bench of Alberta

APPENDIX F

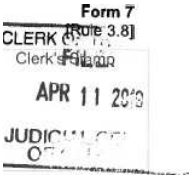
ORIGINATING APPLICATION

F-1

/qoi oSi77

COURT FILE NUMBER	
COURT	COURT OF QUEENS BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	GOLD RESERVE INC.
APPLICANTS	IN THE MATTER OF SECTION 193 OF THE BUSINESS CORPORA TIONS ACT, R.S.A. 2000, C. B-9, AS AMENDED

Form 7
[Rule 3.8]



AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING GOLD RESERVE INC.

DOCUMENT	ORIGINATING APPLICATION
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Norton Rose Fuibright Canada LLP 400 3rd Avenue SW, Suite 3700 Calgary, Alberta T2P 4H2 CANADA Phone: +1 403.267.8140 Fax: +1 403.264.5973 Attention: Steven H. Leitl File No. 1000287173

NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: Time: April 16, 2019 2:00 p.m.

Where: Before: Calgary Courts Centre, 601 - 5th Street SW, Calgary, Alberta The Honourable Justice Campbell

Go to the end of this document to see what you can do and when you must do it.

Basis for this claim:

1. Gold Reserve Inc. (the Applicant), respectfully requests an interim order (Interim Order) and final order (Final Order) in connection with a proposed arrangement (the Arrangement) pursuant to: (i) Section 193 of the Business Corporations Act, R.S.A. 2000, c. B-9, as amended (the ABCA); and (ii) a plan of arrangement (the Plan of Arrangement) attached as Exhibit A to the affidavit of James H. Coleman sworn on April10, 2019 (the Coleman Affidavit).
2. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the draft information circular of the Applicant (the Information Circular) attached as Exhibit B to the Coleman Affidavit.

3. The Plan of Arrangement concerns the following persons:
   (a) the Applicant; and
   (b) the holders (each a Shareholder) of Class A common shares (the Class A Shares) of the Applicant.
4. The Applicant is a corporation continued under the ABCA with its registered office in Calgary, Alberta.
5. The Applicant is a reporting issuer" (or its equivalent) in all of the provinces of Canada and the Class A Shares are listed for trading on the TSX Venture Exchange. As of April 10, 2019, there were 99,395,048 Class A Shares issued and outstanding.
6. The Applicant wishes to effect certain fundamental changes in the nature of an arrangement contemplated in section 193(1)(f) of the ABCA.
7. The Arrangement is described in detail in the Information Circular. The current version of the Plan of Arrangement is attached as Exhibit A to the Coleman Affidavit. Pursuant to the Plan of Arrangement,

(a) the articles of incorporation of the Applicant will be amended to create and authorize the issuance of an unlimited number of Class C common shares in the capital of the Applicant (the Class C Shares), with rights, privileges, restrictions and conditions as set out in Schedule A" to the Plan of Arrangement;
(b) each issued and outstanding Class A Share will be exchanged for (i) the Cash Distribution Per Share, and (ii) a Class C Share, and the Class A Shares so exchanged will be cancelled;

(c) in connection with the exchange of Class A Shares for the Cash Distribution Per Share and Class C Shares, the Applicant will deduct from the stated capital of the Class A Shares an amount equal to the aggregate stated capital, immediately before the exchange, of the Class A Shares;

(d) the Applicant will add to the stated capital account of the Class C Shares an amount in Canadian dollars equal to the difference between (i) the aggregate paid-up capital of the Class A Shares immediately before the exchange, and (ii) the Aggregate Cash

Distribution Amount as converted into Canadian dollars using the average daily exchange rate as reported by the Bank of Canada on the Effective Date;

(e) each Class C Share will be exchanged for one Class A Share, and the Class C Shares so exchanged will be cancelled;

(f) in connection with the exchange of Class C Shares for Class A Shares, an amount equal

to the aggregate stated capital of the Class C Shares immediately before the exchange will be deducted by the Applicant from the stated capital of the Class C Shares and the Applicant will add that amount to the stated capital of the Class A Shares in respect of the Class A Shares that are issued in exchange for the Class C Shares; and

(g) the articles of incorporation of the Applicant will be amended to delete the amendments made to the authorized capital of the Applicant pursuant to the Plan of Arrangement such that the articles of incorporation of the Applicant as so amended will be the articles of the Applicant as they read immediately before the Effective Time.

8. All statutory requirements under Section 193 and other applicable provisions of the ABCA either have been fulfilled or will be fulfilled by the return date of this Application.

9. Gold Reserve wishes to accomplish the steps contemplated by the Arrangement in a tax-effective manner, in a way that keeps costs as reasonable as possible, and within a time frame that

enables capital to be returned to Shareholders on a timely basis.

10. The Arrangement contemplates a series of steps that are required to be carried out in a particular sequence and at particular times in order to achieve certain tax consequences, thus making it impracticable to effect the result of the Arrangement under any provisions of the ABCA other than Section 193. This type of arrangement is expressly contemplated in section 193(1)(f) of the ABCA. The Arrangement allows for a number of changes to the articles of incorporation of Gold Reserve to be effected as a single transaction and without undue delay. It would be logistically cumbersome and difficult to effect the transactions in any manner other than pursuant to the Arrangement.

11. Gold Reserve will rely on this Court's approval and declaration of fairness of the Arrangement, including the terms and conditions thereof, to form the basis of an exemption from the registration

requirements of the United States Securities Act of 1933, as amended, pursuant to section 3(a)(10) thereof, for the distribution of securities contemplated in connection with the Arrangement.

12. The Arrangement is in the best interests of the Applicants and is put forward in good faith.

13. The Arrangement is fair and reasonable.

14. Such further and other grounds that counsel may advise and this Honourable Court may permit.

Remedy Sought:

15. An order deeming service of this Notice of Application to be good and sufficient.

16. Leave, if required, to bring this application on short or no notice.

17. An Interim Order ordering and directing, among other things:

How the Application is proposed to be heard or considered

25. In regards to the application for the Interim Order, in person before the Honourable Justice Campbell at the Calgary Courts Centre, 601 - 5th Street SW, Calgary, Alberta, on April 16, 2019 at 2:00 p.m. or so soon thereafter as counsel may be heard.

26. In regards to the application for the Final Order, as directed by the Court at the Interim Application.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

EXHIBIT 99.2

GOLD RESERVE INC.

VOTE

Your vote matters – here's how to vote!
You may vote online or by phone instead of mailing this card.

Votes submitted electronically must be
received by 9:30 am, Pacific Daylight Time,
June 11, 2019.

Online
Go to www.investorvote.com/GDRZF
or scan the QR code — login details are
located in the shaded bar below.

Using a black ink pen, mark your votes with an X as shown in this example.

X

Phone
Call toll free 1-800-652-VOTE (8683) within
the USA, US territories and Canada

Save paper, time and money!
Sign up for electronic delivery at

www.investorvote.com/GDRZF

Please do not write outside the designated areas.

Annual General and Special Meeting Proxy Card

q IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

A Proposals — Management recommends that you vote "FOR" each of the director nominees and "FOR" Proposals 2-3.

1. Election of the following nominees as directors, as set forth in the Management Information Circular.

	For	Withhold		For	Withhold		For	Withhold
01 - James H. Coleman	☐	☐	02 - Rockne J. Timm	☐	☐	03 - A. Douglas Belanger	☐	☐
04 - James P. Geyer	☐	☐	05 - Jean Charles Potvin	☐	☐	06 - Robert A. Cohen	☐	☐
07 - James Michael Johnston	☐	☐						

2. Appointment of PricewaterhouseCoopers LLP as auditors for the year ending December 31, 2019 and authorization of the Board of Directors to fix the auditor's remuneration.	For Withhold ☐ ☐	3. To consider, pursuant to an interim order of the Alberta Court of Queen's Bench dated April 16, 2019, and, if deemed advisable, to approve, with or without amendment, a special resolution approving a plan of arrangement pursuant to Section 193 of the Business Corporations Act (Alberta), the full text of which is set forth in Appendix C in the accompanying management information circular.	For Against ☐ ☐

B Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print date below.

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

1UPX

031QFB

Small steps make an impact.

Help the environment by consenting to receive electronic delivery, sign up at www.investorvote.com/GDRZF

q IF VOTING BY MAIL, SIGN, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

Proxy — GOLD RESERVE INC.

+

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS JUNE 13, 2019

PROXY IS SOLICITED BY THE MANAGEMENT OF GOLD RESERVE INC.

The undersigned shareholder of Gold Reserve Inc. (the “Company”) hereby appoints Rockne J. Timm, Chief Executive Officer of the Company, or failing him, Robert A. McGuinness, Vice President Finance and Chief Financial Officer of the Company, or instead of either of them, _____, as proxyholder for the undersigned, with power of substitution, to attend, act and vote for and on behalf of the undersigned at the Annual General and Special Meeting of Shareholders of the Company to be held on June 13, 2019 (the “Meeting”) at 9:30 a.m. (Pacific daylight time) and at any adjournment or postponement thereof, in the same manner, to the same extent and with the same powers as if the undersigned were present at the Meeting or any adjournment or postponements thereof and, without limiting the general authorization given, the persons above named are specifically directed to vote on behalf of the undersigned in the following manner:

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

(Items to be voted appear on reverse side.)

C Non-Voting Items

Change of Address — Please print new address below. Comments — Please print your comments below.

Meeting Attendance

Mark box to the right if you plan to attend the Annual General and Special Meeting.

+

EXHIBIT 99.3

GOLD RESERVE INC.

(the "Corporation")

Supplemental Mailing List Return Card

Fiscal Year: 2018

Under securities regulations and in accordance with National Instrument 51-102 –*Continuous Disclosure Obligations,* registered and beneficial securityholders of the Corporation may elect annually to receive a copy of the Corporation's annual financial statements and corresponding management discussion and analysis ("MD&A") or interim financial statements and the corresponding MD&A, or both.

If you wish to receive these documents by mail, please return this completed form to:

Computershare Investor Services
P.O. Box 505000
Louisville, KY 40233

Rather than receiving the financial statements and MD&A by mail, you may choose to view these documents on the Corporation's SEDAR profile at www.sedar.com.

I HEREBY CERTIFY that I am a registered and/or beneficial securityholder of the Corporation, and as such, request that my name be placed on the Corporation's Mailing List in respect of its annual and/or interim financial statements and the corresponding MD&A for the current financial year.

Please send me: ☐ Annual Financial Statements and MD&A
(Mark this box if you would like to receive the Annual Financial Statements and associated MD&A by mail)

☐ Interim Financial Statements and MD&A
(Mark this box if you would like to receive the Interim Financial Statements and associated MD&A by mail)

PLEASE PRINT

FIRST NAME LAST NAME

ADDRESS

CITY PROVINCE/ STATE POSTAL / ZIP CODE

COUNTRY

SIGNED: _____
(Signature of Securityholder)

IF THIS IS AN ADDRESS CHANGE, PLEASE CHECK HERE: ☐

(Please provide previous address below)

EXHIBIT 99.4

2018

ANNUAL REPORT TO SHAREHOLDERS

Management’s Discussion and Analysis

The following Management’s Discussion and Analysis ("MD&A") of Gold Reserve Inc. and its subsidiaries (collectively "Gold Reserve", the "Company", "we", "us", or "our") should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2018 and 2017, the related notes contained therein as well as the 2017 MD&A. This MD&A has been approved by our Board of Directors (the "Board") and is dated April 26, 2019. Additional information relating to Gold Reserve, including its Annual Information Form, is available under the Company’s profile on SEDAR at www.sedar.com.

CURRENCY

Unless otherwise indicated, all references to "$", "U.S. $" or "U.S. dollars" in this MD&A refer to U.S. dollars and references to "Cdn$" or "Canadian dollars" refer to Canadian dollars. The 12 month average rate of exchange for one Canadian dollar, expressed in U.S. dollars, for each of the last two calendar years equaled 0.7716 and 0.7705, respectively, and the exchange rate at the end of each such period equaled 0.7329 and 0.7989, respectively.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

The information presented or incorporated by reference in this MD&A contains both historical information and "forward-looking statements" (within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Exchange Act of 1934, as amended) or "forward-looking information" (within the meaning of applicable Canadian securities laws) (collectively referred to herein as "forward-looking statements") that may state our intentions, hopes, beliefs, expectations or predictions for the future. Such forward-looking statements include, without limitation, statements with respect to the collection of future payments under the Settlement Agreement and/or collection of the Award via the courts, including the impact of applicable U.S. Sanctions and Canadian, development plans for the Siembra Minera Project and our intention to complete the Return of Capital Transaction (collectively, as defined herein).

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause our actual financial results, performance or achievements to be materially different from those expressed or implied herein and many of which are outside our control.

Forward-looking statements involve risks and uncertainties, as well as assumptions, including those set out herein, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause our results to differ materially from those expressed or implied by such forward-looking statements. The words "believe," "anticipate," "expect," "intend," "estimate," "plan," "may," "could" and other similar expressions that are predictions of or indicate future events and future trends, which do not relate to historical matters, identify forward-looking statements. Any such forward-looking statements are not intended to provide any assurances as to future results.

Numerous factors could cause actual results to differ materially from those described in the forward-looking statements, including without limitation:

- continued delay or failure by the Bolivarian Republic of Venezuela ("Venezuela") to make payments or otherwise honor its commitments under the settlement agreement whereby Venezuela agreed to pay us damages pursuant to an International Centre for the Settlement of Investment Disputes ("ICSID") judgment totaling $713 million in damages, plus pre-award interest and legal costs and expenses (the "Award") and purchase our mining data, previously compiled in association with our development of the Brisas Project (the "Mining Data") for $792 million and $240 million, respectively, for a total of approximately $1.032 billion (as amended, the "Settlement Agreement");

- risk that the Company may be unable to access current or future amounts deposited into a trust account (the "Trust Account") for the benefit of the Company at Banco de Desarrollo Económico y Social de Venezuela ("Bandes Bank") which have been blocked as a result of the US Treasury Department's Office of Foreign Assets Control ("OFAC") designation of Bandes Bank as a Specially Designated National ("SDN") pursuant to an Executive Order ("EO"). As a result of the Bandes Bank designation, the Company recorded an impairment loss on the current balance of the trust of approximately $21.5 million;
- delay or failure by Venezuela to honor its commitments associated with the formation and operation of Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera") which holds certain gold, copper, silver and other strategic mineral rights within Venezuela's Bolivar State which includes the historical Brisas and Cristinas areas (referred to as the "Siembra Minera Project") including risks associated with the ability of the Company and Venezuela to (i) successfully overcome legal or regulatory obstacles to operate Siembra Minera for the purpose of developing the Siembra Minera Project, (ii) complete any additional definitive documentation and finalize any remaining governmental approvals and (iii) obtain financing to fund the capital costs of the Siembra Minera Project;
- risks associated with the current or future Sanctions by the U.S., Canada or other jurisdictions which generally prohibit the Company and its management or its employees from dealing with certain Venezuelan individuals and entities or entering into certain financial transactions (the "Sanctions") and which may negatively impact our ability to freely receive funds from Venezuela, either from the Trust Account or the remaining funds owed by Venezuela or our ability to do business in Venezuela;
- risks that U.S. and Canadian government agencies that enforce Sanctions may not issue licenses that the Company may need to engage in certain Venezuela-related transactions;
- risks that any future Venezuelan administration will void or otherwise fail to respect the agreements of the prior administration;
- risks associated with the collection of the Award and concentration of our operations and assets in Venezuela which are and will be subject to risks specific to Venezuela, including the effects of political, economic and social developments, instability and unrest; international response to Venezuelan domestic and international policies; Sanctions by U.S., Canadian or other jurisdictions and potential invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights either by the existing or future regimes;
- risks associated with our ability to resume our efforts to enforce and collect the Award, including the associated costs of such enforcement and collection effort and the timing and success of that effort, if Venezuela fails to make payments under the Settlement Agreement, it is terminated and further efforts related to the Settlement Agreement are abandoned;
- the risk that the conclusions of management and its qualified consultants contained in the Preliminary Economic Assessment of the Siembra Minera Gold Copper Project (the "PEA") in accordance with Canadian National Instrument 43-101 6Standards of Disclosure for Mineral Projects ("NI 43-101") may not be realized in the future;
- risks associated with the distribution of approximately $75 million in the aggregate to holders (the "Shareholders") of Class A common shares in the capital of the Company (the "Class A Shares") as a return of capital (the "Return of Capital Transaction") that has been approved by the Board, including risks related to our ability to receive required approvals from our Shareholders, the Alberta Court of Queen's Bench (the "Court") and the TSX Venture Exchange (the "TSXV") and the risk that our Board may determine not to move forward with the Return of Capital Transaction if it determines it is no longer in the best interests of the Company and its Shareholders;

- risks associated with exploration, delineation of adequate reserves, regulatory and permitting obstacles and other risks associated with the development of the Siembra Minera Project;
- risks associated with our continued ability to service outstanding obligations as they come due and access future additional funding, when required, for ongoing liquidity and capital resources, pending the receipt of payments under the Settlement Agreement;
- risks associated with our prospects in general for the identification, exploration and development of mining projects and other risks normally incident to the exploration, development and operation of mining properties, including our ability to achieve revenue producing operations in the future;
- shareholder dilution resulting from the future sale of additional equity, if required;
- value realized from the disposition of the remaining assets related to our previous mining project in Venezuela known as the “Brisas Project”, if any;
- abilities of and continued participation by certain employees; and
- impact of current or future U.S., Canadian and/or other jurisdiction's tax laws to which we are or may be subject.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. See "*Risk Factors*." Investors are cautioned not to put undue reliance on forward-looking statements, whether in this document, other documents periodically filed with the Ontario Securities Commission ("OSC") or the U.S. Securities and Exchange Commission (the "SEC") or other securities regulators or presented on our website. Forward-looking statements speak only as of the date made.

All subsequent written and oral forward-looking statements attributable to Gold Reserve or persons acting on its behalf are expressly qualified in their entirety by this notice. Gold Reserve disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to its disclosure obligations under applicable Canadian provincial and territorial securities laws or rules promulgated by the SEC. Investors are urged to read our filings with the Canadian and United States securities regulatory authorities, which can be viewed online at www.sedar.com and www.sec.gov, respectively.

The terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101. However, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases, and such estimates are not part of the SEC Industry Guide 7.

Gold Reserve, an exploration stage mining company, is engaged in the business of acquiring, exploring and developing mining projects. Currently our primary business activities are the collection of the amounts due to us pursuant to the Settlement Agreement in regards to the payment of the Award and the sale of the Mining Data and the advancement of the Siembra Minera Project (as more fully discussed herein).

VENEZUELA'S POLITICAL, ECONOMIC AND SOCIAL CONDITIONS

During the past several years Venezuela has experienced a substantial increase in violent and property related crime. The country's overall infrastructure (including transportation, utilities, government services, food supplies, law enforcement and medical assistance and benefits) has generally collapsed. Venezuela's annual inflation rate has surged dramatically and its GDP has contracted significantly. More than half of the population is reported to be living under conditions of extreme poverty and millions of Venezuelans have emigrated because of the economic crisis and general unrest. In the past year Venezuela has made late payments or defaulted on certain debt and the nation's central bank is reported to have limited funds in reserve. These issues, among others, have hindered our ability to develop certain gold, copper, silver and other strategic mineral rights contained within Bolivar State comprising what is known as the Siembra Minera Project (the "Siembra Minera Project") and are expected to continue in the future. In early 2019, amid mass protests against the current government, Venezuelan opposition leader Juan Guaido declared himself the interim president of Venezuela promising to lead a transitional government and hold free elections. The U.S., Canada and a number of Latin American countries have announced their support of Guaido's efforts. As of the date of this MD&A there has been no change of government in Venezuela.

U.S. AND CANADIAN SANCTIONS

In August 2017, the U.S. government imposed Sanctions targeting Venezuela by issuing an Executive Order (an "EO") that prohibits U.S. persons from dealing in financing of greater than 30 days for the Venezuelan government, including any entity owned or controlled by the Venezuelan government (with respect to certain subsidiaries of the state oil company, these restrictions prohibit financings of greater than 90 days). In addition, U.S. persons are prohibited from dealing in, among other things, bonds (unless otherwise exempt from U.S. Sanctions pursuant to General Licenses 3E or 9D issued by the OFAC) or equity issued by the Venezuelan government after the U.S. financial Sanctions were imposed in August 2017. Prior to January 2019, certain Venezuelan government bonds identified in General License 3 had been largely exempt from U.S. Sanctions.

U.S. financial sanctions have built on Sanctions imposed by the U.S. government starting in March 2015 that designated Venezuelan government officials as "Specially Designated Nationals" ("SDNs"), which prohibits them from traveling to the U.S., freezes any assets they may have in the U.S. and generally prohibits U.S. persons from doing business with them and any entity they own 50% or more. Since August 2017, the U.S. government has designated several additional individuals as SDNs and has prohibited U.S. persons from dealing in cryptocurrencies issued by the Venezuelan government. In September and November 2017, and again in May 2018, Canada imposed its own Sanctions requiring asset freezes and imposing prohibitions on dealings with named Venezuelan officials. In May 2018, the U.S. government issued an EO that prohibits U.S. persons from engaging in transactions relating to: (i) the purchase of any debt owed to the Venezuelan government, including accounts receivable, (ii) any debt owed to the Venezuelan government that is pledged as collateral after May 21, 2018, including accounts receivable, and (iii) the sale, transfer, assignment, or pledging as collateral by the Venezuelan government of any equity interest in any entity in which the Venezuelan government has a 50% or greater ownership interest.

In November 2018, the U.S. government issued an EO authorizing OFAC to designate as an SDN any person determined to: (i) "operate in the gold sector of the Venezuelan economy" or any other sector deemed sanctionable by the U.S. government, (ii) be responsible for transactions involving deceptive practices or corruption involving the Venezuelan government, or (iii) have supported deceptive or corrupt transactions or to be owned or controlled by a person meeting the foregoing criteria. OFAC issued guidance that it "expects to use its discretion to target in particular those who operate corruptly in the gold or other identified sectors of the Venezuela economy, and not those who are operating legitimately in such sectors." In January 2019, the U.S. government designated the Venezuelan state oil company as an SDN under the November 2018 EO. U.S. persons are generally prohibited from doing business with the state oil company and its subsidiaries unless authorized by OFAC. In conjunction with that action, OFAC also changed existing general licenses, such as General License 3 mentioned above, and issued additional general licenses to authorize certain transactions involving certain subsidiaries of the state oil company.

In March 2019, pursuant to EO 13850, OFAC designated CVG Compania General de Minera de Venezuela CA and its president as SDNs in connection with the Venezuelan gold sector and also designated Bandes Bank as an SDN with the same effects as those described above with respect to the Venezuelan state oil company. In conjunction with that designation, OFAC issued several general licenses, although none that authorize the Company's dealings with Bandes Bank. Due to the deteriorating economic conditions in Venezuela and as a result of the Bandes Bank designation which blocked the Company's access to the funds held in the Trust Account at Bandes Bank, the Company has recorded an impairment loss on the balance in the Trust Account of approximately $21.5 million. The Trust Account and funds will remain blocked until OFAC delists Bandes Bank as an SDN or OFAC issues a specific license to the Company to unblock this property.

On April 15, 2019, the Government of Canada imposed Sanctions against 43 additional individuals under the Special Economic Measures (Venezuela) Regulations of the Special Economic Measures Act. The imposition of such additional Sanctions poses a significant impediment to the Company's ability to work with government officials related to the development of the Siembra Minera Project and those responsible for the payment and transfer of funds associated with the Settlement Agreement. To the extent required, the Company will apply for a license from OFAC to allow the Company to pursue payments under the Settlement Agreement and allow international financial institutions to facilitate such transactions without violating US Sanctions. The Company may also pursue similar relief from Sanctions imposed under Canadian law.

EMPRESA MIXTA ECOSOCIALISTA SIEMBRA MINERA, S.A.

In October 2016, together with an affiliate of the government of Venezuela, we established Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera"), which is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation, and 45% by Gold Reserve (See "Properties – Siembra Minera Project"). Siembra Minera holds certain gold, copper, silver and other strategic mineral rights contained within Bolivar State comprising what is known as the Siembra Minera Project and is, among other things authorized, via existing or pending Presidential Decrees and Ministerial resolutions, to carry on its business. A number of the authorizations, which still have not been provided by the current administration, are critical to the future operation and economics of the Siembra Minera Project and, as a result, management continues its efforts to secure them on behalf of Siembra Minera.

The Company has directly incurred the costs (as more fully discussed below) of the Siembra Minera Project, which beginning in 2016 through December 31, 2018 amounted to a total of approximately $14.1 million. Until such time as Sanctions are lifted, we expect our ability to develop the Siembra Minera Project will continue to be limited. Further, it is unclear to management if a new Venezuelan administration in the future will respect the agreements of the prior administration.

MANAGEMENT'S RECENT ACTIVITIES HAVE FOCUSED ON:

Collections Pursuant to the Settlement Agreement

As of the date of this report, Venezuela has transferred approximately $165.2 million in cash and approximately $88.5 million of Venezuelan government bonds (representing the market value at the time of the agreement) which were later sold for approximately $74.3 million and the Company realized a $14.2 million loss on the sale during the year ended December 31, 2018. On a cumulative basis Venezuela has reduced its obligation to the Company by approximately $254 million. Venezuela continues to be in arrears from March 2018 through the date of this report totaling approximately $413 million, not including the balance in the Trust Account.

Given the current political, economic and social conditions in Venezuela, it is unclear when or if Venezuela will pay the remaining obligations contained in the Settlement Agreement totaling approximately $778 million or when or if the Company will decide to re-commence its efforts to collect the remaining amount of the Award including interest. As discussed herein, Sanctions continue to impede the transfer of funds from Venezuela to our North American bank account (See "Cautionary Statement Regarding Forward-Looking Statements and Information").

Empresa Mixta Ecosocialista Siembra Minera, S.A.

Throughout the year the Company continued a number of social programs to improve the health care in the Siembra Minera Project area and undertook the rehabilitation and/or upgrade of a number of public facilities located in the Siembra Minera Project vicinity as well as producing engineering assessments for potential future upgrades to the local water supply and sewage system infrastructure.

In March 2018, the Company published the results of a PEA which is available to the public at www.sedar.com and www.sec.gov, as well as, the Company's website at www.goldreserveinc.com.

As discussed herein, U.S. and Canadian Sanctions and the political, economic and social turmoil in Venezuela continues to impede our ability to develop the Siembra Minera Project.

Convertible Notes and Interest Notes

In the second half of 2017, the Company settled all of its outstanding 11% Senior Secured Convertible Notes due December 31, 2018 ("2018 Convertible Notes") and Interest Notes (approximately $59.1 million face value) (collectively, the "2018 Notes") and 5.5% Senior Subordinated Convertible Notes due June 15, 2022 (the "2022 Convertible Notes") (approximately $1.0 million face value) for cash and Class A Shares.

EXPLORATION PROSPECTS

Siembra Minera Project

In August 2016, we executed the Contract for the Incorporation and Administration of the Mixed Company with the government of Venezuela (the "Mixed Company Formation Document") to form a jointly owned company and in October 2016, together with an affiliate of the government of Venezuela, we established Siembra Minera, the entity whose purpose is to develop the Siembra Minera Project. Siembra Minera is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation and 45% by Gold Reserve. In the event Venezuela defaults on its obligations outlined in the Settlement Agreement the parties will retain their respective interest in Siembra Minera.

Siembra Minera holds certain gold, copper, silver and other strategic mineral rights within Bolivar State comprising approximately 18,950 hectares in an area located in the Km 88 gold mining district of southeast Bolivar State which includes the historical Brisas and Cristinas areas. The mineral rights held by Siembra Minera have a 20 year term with two 10 year extensions.

Gold Reserve, under a yet to be completed Technical Services Agreement, is expected to provide engineering, procurement and construction services to Siembra Minera for a fee of 5% over all costs of construction and development and, thereafter, for a fee of 5% over operating costs during operations. Venezuela is obligated to use its best efforts to grant to Siembra Minera similar terms that would apply to the Siembra Minera Project in the event Venezuela enters into an agreement with a third party for the incorporation of a mixed company to perform similar activities with terms and conditions that are more favorable than the above tax and fiscal incentives and is obligated to indemnify us and our affiliates against any future legal actions related to property ownership associated with the Siembra Minera Project.

Significant provisions related to the formation of Siembra Minera and the development and operation of the Siembra Minera Project as provided in the Mixed Company Formation Document include the following, some of which have been completed and some are still pending completion. A number of the authorizations, which still have not been provided by the current administration, are critical to the future operation and economics of the Siembra Minera Project and, as a result, management continues its efforts to secure them on behalf of Siembra Minera.

- Venezuela agreed to advance $110.2 million to Siembra Minera to facilitate the early startup of the pre- operation and construction activities, but has not yet taken steps to provide such funding;
- Siembra Minera is obligated to undertake initiatives to secure financing(s) to fund the anticipated capital costs of the Siembra Minera Project, which is estimated to be in excess of $2 billion. To date no verifiable financing alternatives have been identified;

- Venezuela agreed to certain Presidential Decrees, within the legal framework of the "Orinoco Mining Arc" (created on February 24, 2016 under Presidential Decree No. 2.248 as an area for national strategic development Official Gazzette No. 40.855), that will or have been issued to provide for tax and fiscal incentives for companies owned jointly with the government (“Mixed Companies”) operating in that area that include exemption from value added tax, stamp tax, municipal taxes and any taxes arising from the contribution of tangible or intangible assets, if any, to the Mixed Companies by the parties and the same cost of electricity, diesel and gasoline as that incurred by the government or related entities;
- The parties agreed to participate in the price of gold in accordance with a formula resulting in specified respective percentages based on the sales price of gold per ounce. For sales up to $1,600 per ounce, net profits will be allocated 55% to Venezuela and 45% to us. For sales greater than $1,600 per ounce, the incremental amount will be allocated 70% to Venezuela and 30% to us. For example, with sales at $1,600 and $3,500 per ounce, net profits will be allocated 55.0% 645.0% and 60.5% 639.5%, respectively;
- Siembra Minera is obligated to pay to the government a special advantage of 3% of gross sales and a net smelter return royalty (“NSR”) on the sale of gold, copper, silver and any other strategic minerals of 5% for the first ten years of commercial production, 6% for the next ten years;
- Income tax rate of 14% for years one to five, 19% for years 6 to 10, 24% for years 11 to 15, 29% for years 16 to 20 and 34% thereafter, however, as of the date of this report, Venezuela has not yet taken steps to formally provide such authorizations via Presidential Decree or otherwise;
- Authorization to export and sell concentrate and doré containing gold, copper, silver and other strategic minerals outside of Venezuela and maintain foreign currency balances associated with sales proceeds, however, as of the date of this report, Venezuela has not yet taken steps to formally provide such authorizations via Presidential Decree or otherwise;
- Funds associated with future capital cost financings and sale of gold, copper and silver will be held in offshore US dollar accounts and dividends and profit distributions, if any, will be directly paid to the shareholders of Siembra Minera, however, as of the date of this report, Venezuela has not yet taken steps to formally provide such authorizations via Presidential Decree or otherwise;
- All funds will be converted into local currency at the most favorable exchange rate offered by Venezuela to other entities to pay, as required, Venezuela income taxes and annual operating and capital costs denominated in Bolivars for the Siembra Minera Project, however, as of the date of this report, Venezuela has not yet taken steps to formally provide such authorizations via Presidential Decree or otherwise.

Siembra Minera Project Completed Activities

During 2018 and the first quarter of 2019, the Company accomplished the following activities:

- Published the results of a PEA;
- Completed the preliminary design and engineering on the small scale Phase I oxide saprolite process plant and the Phase 2 larger hard rock process plant;
- Completed the preliminary design work for a Phase 1 and Phase 2 Tailings Dam design;
- Completed a Venezuelan Environmental Impact Statement (V-EIS) to support the new environmental permit from the Ministry of Environment for the construction of the early works (or preliminary works) of the Phase I small saprolite processing plant;
- Transported 282 samples of saprolite ore weighing a total of 5.4 metric tons taken during the last quarter of 2017 to McClelland Laboratories in Nevada where it is being stored until receiving instructions to complete metallurgical testing for both gravity and cyanidation gold recovery;

- Obtained approval from the Ministry of Environment of the Venezuelan Environmental Impact Statement (V-EIS) (developed in 2018) and the environmental permit to affect the Area for the early works (the "Permit to Affect") which includes: construction and conditioning of 31.5 km of roads, including new and existing access roads to the property, a new access road to the quarry, man-camp and mill site, new access road to the pit area, a new conveyor corridor, and construction of a road along the perimeter of the project's tailings dam. Also approved is the construction of warehouses, service shops and service patios; the drilling of over 80 exploration and development drill holes and 90 drill holes for pit dewatering and the opening of the quarry, the construction of sedimentation ponds and the construction of the man-camp;
- Validated, with the assistance of Empresa Nacional Forestal (a state owned company affiliated with the Ministry of Environment), the forest inventory for the project area;
- Prepared and submitted the 2019 budget for the mixed company according to parameters set forth by the Venezuelan budgeting agency;
- Obtained, the "Initiation Act", which is a requirement of the Permit to Affect, from the Ministry of Environment in December 2018 allowing Siembra Minera to initiate the authorized preliminary/early works on the Siembra Minera Project;
- Completed in March 2019 the Environmental Supervision Plan for the permitted (early or preliminary) works;
- Hosted two major community events for the granting of the Environmental Permit and the granting of the Initiation Act which were attended by several thousand local residents and, to the knowledge of the Company, were well received by the local communities;
- Worked with Mission Piar (Small Miner Program affiliated with the Ministry of Mines) to complete an initial survey and census of small miners located in the project area, which included cataloging identities, locations, infrastructure, and health status;
- Continued anti-malarial mitigation efforts in local communities in cooperation with the Ministry of Health and continued logistical support of the initiatives of the NGO "Doctors without Borders" who are working on health impacts in the KM 88 project area;
- Maintained offices in Caracas and Puerto Ordaz and completed preliminary planning and design work to ready these offices for additional operational work as the project advances;
- Initiated a $5 million works program in September 2018 to build new facilities and rehabilitate existing ones at the 4 largest schools currently attending nearly 3,000 elementary and high school students, the church and recreational and sport facilities for the students and the community as well as a musical arts program under the auspices of Foundation Corazon Llanero that works under the well-known Orchestra System (El Sistema). The Company is also establishing a radio station at one school to improve local communications as well as remodeling the Company's operations center in Las Claritas;
- Completed a feasibility study for the quarry in March 2019 as part of the opening of the quarry needed for the "early works" and during both Phases I and II of the project;
- Participated in two government project fairs, at the request of the Minister of Mines, to highlight developments in the country;
- Assisted small miner alliances, with the support of the Ministry of Mines, to obtain mining rights to property north of the Siembra Minera Project – with the purpose of relocating small miners from the Siembra Minera Project area; and
- Continued to advance the $5 million social program in the first quarter of 2019.

Overall the Company has directly incurred the costs of the Siembra Minera Project, which beginning in 2016 through December 31, 2018 amounted to a total of approximately $14.1 million. These expenditures primarily include costs associated with the completion of the PEA, preliminary design and cost estimates, an early works program, preliminary assessments and preparations related to the completion of an international and Venezuelan environmental and social impact assessment and a number of social works programs in the vicinity of the Siembra Minera Project (all further discussed below). The Sanctions severely restrict our ability to develop the Siembra Minera Project and, until such time as Sanctions are lifted, we expect our ability to develop the Siembra Minera Project will continue to be limited. It is unclear to management if any new Venezuelan administration in the future will respect the agreements of the prior administration.

Siembra Minera Project Development

With the previous issuance of the permit to effect the environment and the more recent issuance of the Initiation Act we have considered initial plans for various on-site activities such as site clearing, construction of a temporary camp and warehouse facilities, drilling of dewatering and development drill holes, access roads on the property, opening of the quarry for construction aggregates and initial construction activities. We have evaluated initial proposals for a drilling program in support of the overall project development activities, water management wells, and test areas where additional resource potential is evident. Various geotechnical studies as well as environmental and social studies to augment and update previous work on the property have been considered which could support the generation of a pre-feasibility study for the small and large plant and generate an International Environmental & Social Impact Assessment (IESIA) for the support of the various operating and environmental permits that will be required for the project. In addition, the social programs in the area (as described above) are expected to continue. The next phase of the Siembra Minera Project's development is envisioned to include detail design work for the small cyanidation plant and related facilities along with the metallurgical testing to support the metallurgical process used in the plant. Given the current economic, social and political turmoil in Venezuela, as well as current and future Sanctions, the timing and extent of future development on the Siembra Minera Project remains unclear at this time.

LMS Gold Project

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the "LMS Property"), together with certain personal property for $350,000, pursuant to a Purchase and Sale Agreement with Raven Gold Alaska Inc. ("Raven"), a wholly-owned subsidiary of Corvus Gold Inc. Raven retains an NSR with respect to (i) "Precious Metals" produced and recovered from the LMS Property equal to 3% of "Net Smelter Returns" on such metals (the "Precious Metals Royalty") and (ii) "Base Metals" produced and recovered from the LMS Property equal to 1% of Net Smelter Returns on such metals, however we have the option, for a period of 20 years from the date of closing of the acquisition, to buy back a one-third interest (i.e. 1 %) in the Precious Metals Royalty at a price of $4 million. The LMS Property remains at an early stage of exploration and is not material to the Company.

BRISAS ARBITRAL AWARD SETTLEMENT AND MINING DATA SALE

In October 2009, we initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the ICSID to obtain compensation for the losses caused by the actions of Venezuela that terminated our Brisas Project in violation of the terms of the Treaty between the Government of Canada and the Government of Venezuela for the Promotion and Protection of Investments.

In September 2014, the ICSID Tribunal unanimously granted us the Award, which consists of (i) $713 million in damages, plus (ii) pre-award interest from April 2008 through the date of the Award based on the U.S. Government Treasury Bill Rate, compounded annually totaling, as of the date of the Award, approximately $22.3 million and (iii) $5 million for legal costs and expenses, for a total, as of September 22, 2014, of $740.3 million. The Award (less legal costs and expenses) accrues post-award interest at a rate of LIBOR plus 2%, compounded annually for a total estimated Award as of the date of the Settlement Agreement of $792 million.

In July 2016, we signed the Settlement Agreement whereby Venezuela agreed to pay us the Award (including interest) and purchase our Mining Data. Under the terms of the Settlement Agreement Venezuela agreed to pay the Company $792 million to satisfy the Award and $240 million for the purchase of the Mining Data for a total of approximately $1.032 billion in monthly installments. The first $240 million received by Gold Reserve from Venezuela was related to the sale of the Mining Data.

In addition, the Company agreed to suspend the legal enforcement of the Award until final payment is made by Venezuela and Venezuela irrevocably waived its right to appeal the February 2017 judgment issued by the Cour d'appel de Paris dismissing the annulment applications filed by Venezuela in respect of the Award and agreed to terminate all other proceedings seeking annulment of the Award. Pursuant to the Settlement Agreement, Venezuela agreed to make a payment of $40 million (the "Initial Payment") followed by 23 monthly payments of $29.5 million on or before the 15th day (previously the 10th day) of each month starting in July 2017, with a final payment of approximately $313.3 million scheduled to be paid on or before June 15, 2019.

All Settlement Agreement payments made by Venezuela, excluding the Venezuelan government bonds transferred to the Company in August 2018, were initially deposited into the Trust Account with Bandes Bank. Pursuant to the terms of a trust agreement in respect of the Trust Account (the "Trust Agreement"), the Company has the right to direct the transfer of the funds to its bank accounts outside of Venezuela. With the designation of Bandes Bank as an SDN in March 2019, the Company is treating the Trust Account as blocked property and as a result, the Company recorded an impairment loss of $21.5 million, representing the balance of the funds remaining in the Trust Account. The Trust Account and the funds therein will remain blocked property until the U.S. government delists Bandes Bank as an SDN or issues a specific license to the Company to unblock this property. The Company plans to submit a license application to request the unblocking of the Trust Account and funds (See "U.S. and Canadian Sanctions").

As of the date of this report, Venezuela has made payments pursuant to the Settlement Agreement of approximately $254 million including $165.5 million transferred from the Trust Account for the benefit of the Company and $88.5 million in Venezuelan government bonds. In August 2018, the Company received Venezuelan government bonds which were exempt from U.S. Sanctions pursuant to then-applicable General License 3 issued by OFAC with a market value, at the time of the bond transfer agreement (the "Bond Agreement"), of approximately $88.5 million representing the December 2017 and January and February 2018 monthly installments due under the Settlement Agreement (as described elsewhere in this document, General License 3 has since been amended several times, with more restrictions applying to transactions related to Venezuelan government bonds under General Licenses 3E and 9D). The bonds were subsequently sold for approximately $74.3 million. The monthly payments pursuant to the Settlement Agreement from March 2018 through April 2019 totaling approximately $413 million, not including the balance in the Trust Account, remain unpaid.

Given the current political, economic and social conditions in Venezuela, it is unclear when or if Venezuela will pay the remaining obligations contained in the Settlement Agreement totaling approximately $778 million or when or if the Company will decide to re-commence its efforts to collect the remaining amount of the Award including interest. As discussed herein, U.S. and Canadian Sanctions continue to impede the transfer of funds from Venezuela to our North American bank account.

The terms of the Settlement Agreement also included Venezuela's obligation to make available to an escrow agent negotiable financial instruments, with a face value of at least $350 million, partially guaranteeing the payment obligations to the Company. As of the date of this report, the collateral has not yet been provided to the escrow agent and it is unclear if and when Venezuela will comply with this particular obligation of the Settlement Agreement.

Obligations Due Upon Collection of the Award and Sale of Mining Data

In the third quarter of 2017, the Company settled all of its outstanding 2018 Notes. Prior to settlement, the Company had a total of $59.1 million face value of 2018 Notes outstanding. Of these notes, $36.3 million were redeemed for cash and the Company paid an additional $6.4 million related to a 20% premium due on the redeemed notes and $0.2 million in interest to the redemption date. The remaining $22.8 million 2018 Notes were converted to approximately 7.6 million Class A Shares. As a result of the redemption or conversion of 2018 Notes, the Company recorded a $16.6 million loss on settlement of debt consisting of the $6.4 million premium paid and approximately $10.2 million of remaining unamortized discount. In October 2017, the Company redeemed for cash its remaining debt, which consisted of approximately $1.0 million face value of 2022 Convertible Notes.

Pursuant to a 2012 restructuring of convertible notes, we issued Contingent Value Rights ("CVRs") that entitle the holders to an aggregate of 5.466% of proceeds associated with the collection of the Award, sale of Mining Data or an enterprise sale (the "Proceeds"), less amounts sufficient to pay or reserve for taxes payable, certain associated professional fees and expenses not to exceed $10 million, any accrued operating expenses as of the date of the receipt of Proceeds not to exceed $1 million and the balance of any remaining Notes and accrued interest thereon (the "Net Proceeds"). We have been advised by a CVR holder that it believes that the Company's 45% interest in Siembra Minera represents "Proceeds" for purposes of the CVRs and as such it believes the CVR holders are entitled to the value of 5.466% of that interest. For a variety of reasons, the Board does not agree with that position and believes it is inconsistent with the CVRs and the terms and manner upon which we reached settlement as to the Award with the Venezuelan government. We continue discussions with the CVR holder on this subject and it is not possible at this time to know the outcome of this matter. As of December 31, 2018, the total cumulative estimated obligation due pursuant to the terms of the CVR from the sale of the Mining Data and collection of the Award was approximately $9.7 million, which has been distributed in full to CVR holders.

The Board approved a bonus plan (the "Bonus Plan") in May 2012, which was intended to compensate the participants, including executive officers, employees, directors and consultants for their contributions related to: the development of the Brisas Project; the manner in which the development effort was carried out allowing the Company to present a strong defense of its arbitration claim; the support of the Company's execution of the Brisas Arbitration; and the ongoing efforts to assist with positioning the Company in the collection of an award, sale of the Mining Data or enterprise sale. The bonus pool under the Bonus Plan, as originally structured, was comprised of the gross proceeds collected or the fair value of any consideration realized related to such transactions less applicable taxes multiplied by 1% of the first $200 million and 5% thereafter. In June 2018, the Board modified the Bonus Plan to increase the percentage participation of certain individuals who in the Board's opinion were not adequately recognized for their current contribution to efforts associated with the conclusion of the Settlement Agreement and the collection of the amounts contemplated thereunder. The effect of the Board's modification to the Bonus Plan was to increase the after tax percentage allocation for the first $200 million up to a maximum of 1.28% and the percentage allocation thereafter up to a maximum of 6.4%. The Bonus Plan is administered by a committee of independent directors who selected the individual participants in the Bonus Plan and fixed the relative percentage of the total pool to be distributed to each participant. Participation in the Bonus Plan by existing participants is fully vested, subject to voluntary termination of employment or termination for cause. Participants who reach age 65 and retire are fully vested and continue to participate in future distributions under the Plan. As of December 31, 2018, the total cumulative estimated obligation pursuant to the terms of the Bonus Plan from the sale of the Mining Data and collection of the Award was approximately $4.1 million, which has been distributed in full to Bonus Plan participants.

The Company maintains the Gold Reserve Director and Employee Retention Plan. Each unit (a "Retention Unit") granted to a participant entitles such person to receive a cash payment equal to the fair market value of one Gold Reserve Class A Share on the date the Retention Unit is granted or on the date any such participant becomes entitled to payment, whichever is greater. Units previously granted under the plan became fully vested upon the collection of proceeds from sale of the Mining Data and the Board of Director's agreement to distribute a substantial majority of the remaining proceeds to our Shareholders. In June 2017, as a result of the collection of proceeds related to the sale of the Mining Data, the Retention Units vested and in the third quarter of 2017 the Company paid $7.7 million to plan participants. As of December 31, 2018 there were no Retention Units outstanding.

Our Intent to Distribute Collection of the Award or Sale of Mining Data to Shareholders

On March 27, 2019, the Company announced that the Board had approved the distribution of between approximately $90 million and $100 million in the aggregate, to holders of Class A Shares as a return of capital. On April 16, 2019, following the Government of Canada's decision on April 15, 2019 to impose Sanctions against 43 additional individuals under the *Special Economic Measures (Venezuela) Regulations* of the *Special Economic Measures Act*, the Company's Board determined that it was in the best interests of the Company and its Shareholders to reduce the aggregate amount of capital to be returned to Shareholders pursuant to the Return of Capital transaction to approximately US$75 million, or approximately US$0.76 per Class A Share.

The Return of Capital Transaction is to be completed pursuant to a court-approved plan of arrangement transaction under the Business Corporations Act (Alberta) (the "Act") and requires approval by the Court and at least two-thirds of the votes cast by Shareholders in respect of a special resolution. The Return of Capital Transaction will be affected pursuant to an arrangement transaction (the "Arrangement") in accordance with a plan of arrangement (the "Plan of Arrangement") pursuant to section 193 of the Act.

Generally, the Arrangement consists of a cash distribution, an amendment of the Company's articles of incorporation and an exchange of shares in a manner that results in a Shareholder having the same ownership after the transaction as immediately before and is intended to occur on a tax-efficient basis for Canadian income tax purposes. Full details of the Return of Capital Transaction are described in the Company's management proxy circular and other related materials filed with applicable Canadian securities regulatory authorities and made available at www.sedar.com or www.sec.gov, and posted on the Company's website at www.goldreserveinc.com. Subject to obtaining the requisite Shareholder approval, obtaining the Final Order from the Court, obtaining TSXV approval, and filing of articles of arrangement, the Arrangement will become effective on or about June 13, 2019.

Following the receipt, if any, of additional funds pursuant to the Settlement Agreement and after applicable payments of Net Proceeds to holders of our CVRs and participants under our Bonus Plan, we expect to distribute to our shareholders a substantial majority of any remaining proceeds, subject to applicable regulatory requirements and retaining sufficient reserves for operating expenses, contractual obligations, accounts payable and income taxes, and any obligations arising as a result of the future collection of the remaining amounts related to the Award.

FINANCIAL OVERVIEW

Our overall financial position is influenced by the Settlement Agreement and the proceeds received thereunder, the settlement in the third quarter of 2017 of all of our outstanding notes, amounts distributed pursuant to the Retention Plan and the ongoing payment of amounts due pursuant to the CVRs and Bonus Plan. Recent operating results continue to be impacted by expenses associated with the activities related to Siembra Minera, costs associated with the Settlement Agreement, interest expense related to our debt, U.S. and Canadian Sanctions and costs associated with maintaining our legal and regulatory obligations in good standing.

Since 2015, the U.S. and Canadian governments have issued various Sanctions which generally prohibit the Company and its management or its employees from dealing with certain Venezuelan individuals and entities or entering into certain financial transactions and which may negatively impact our ability to do business in Venezuela (See "US and Canadian Sanctions"). While the Sanctions generally do not prohibit our ability to receive transfers of funds from Venezuela or fund our activities related to the Siembra Minera Project, such Sanctions have historically complicated the transfer of funds associated with the Settlement Agreement with Venezuela to our North American bank account and impaired our ability to participate in any funding of Siembra Minera or otherwise make further investment in Siembra Minera.

Most recently, in March 2019, OFAC designated Bandes Bank as a SDN pursuant to a November 1, 2018 EO. As a result of this designation, the Company's access to the funds held in the Trust Account at Bandes Bank has been blocked and, as a result, the Company has recorded an impairment loss of $21.5 million. The Trust Account and funds will remain blocked until OFAC delists Bandes Bank as an SDN or OFAC issues a specific license to the Company to unblock this property.

Overall we experienced a net increase in cash and cash equivalents for the year ended December 31, 2018 of approximately $10.0 million compared to an increase of approximately $101.9 million for the same period in 2017. The net increase in 2018 was primarily due to receipt of a payment under the Settlement Agreement partially offset by cash used in operations as more fully described in the "Operating Activities" section below. In 2017 the increase was primarily a result of receipt of deposits under the Settlement Agreement partially offset by cash used for settlement of debt and cash used in operations. Net income for the year ended December 31, 2018 decreased from the comparable period in 2017 by approximately $47.6 million primarily as a result of a decrease in payments received pursuant to the terms of the Settlement Agreement and a loss on impairment of trust account, partially offset by decreases in expenses associated with the receipt of those payments, general and administrative expense, Siembra Minera Project expense and arbitration and settlement.

Historically we have financed our operations through the issuance of common stock, other equity securities and debt. The timing of any future investments or transactions if any, and the amounts that may be required cannot be determined at this time and are subject to available cash, the continued collection, if any, of the proceeds associated with the collection of the Award and/or future financings, if any. We have only one operating segment, the exploration and development of mineral properties.

Our longer-term funding requirements may be adversely impacted by the timing of the collection of the amounts due pursuant to the Settlement Agreement, the timing and amount of distributions made to shareholders, if any, financial market conditions, industry conditions, regulatory approvals or other unknown or unpredictable conditions and, as a result, there can be no assurance that additional funding will be available or, if available, offered on acceptable terms.

Selected Annual Information (1)

	2018	2017	2016
Income (loss)	$ 51,569,175	$ 170,697,928	$ (493,355)
Expenses	$ (19,680,922)	$ (46,113,878)	$ (21,052,337)
Income tax (expense) benefit	$ 9,970,117	$ (35,073,174)	$ -
Net income (loss) (2)	$ 41,858,370	$ 89,510,876	$ (21,545,692)
Basic and diluted per share	$ 0.42	$ 0.96	$ (0.26)
Total assets	$ 168,653,346	$ 150,700,534	$ 48,488,677
Total non-current financial liabilities	$ -	$ 18,402,483	$ 44,980,511
Distributions or cash dividends declared per share	$ -	$ -	$ -

(1) The selected annual information shown above is derived from our audited consolidated financial statements that have been prepared in accordance with U.S. generally accepted accounting principles.

(2) Net income (loss) from continuing and total operations attributable to owners of the parent.

Factors that have caused period to period variations are more fully discussed below. Liquidity and Capital Resources

At December 31, 2018, we had cash and cash equivalents of approximately $147.6 which represents an increase from December 31, 2017 of approximately $10.0 million. The net increase was primarily due to receipt of cash and marketable securities under the Settlement Agreement partially offset by cash used for operating activities. The activities that resulted in the net change in cash are more fully described in the "Operating Activities," "Investing Activities" and "Financing Activities" sections below.

	2018	Change	2017
Cash and cash equivalents	147,646,353	9,973,635	137,672,718

As of December 31, 2018, we had financial resources including cash, cash equivalents and marketable securities totaling approximately $147.9 million, Brisas Project related equipment with an estimated net realizable value of approximately $11.7 million (See Note 6 to the audited consolidated financial statements), and short-term financial obligations consisting of accounts payable and accrued expenses of approximately $0.7 million.

We have no revenue producing operations at this time. Our future working capital position is dependent upon the receipt of amounts due to us pursuant to the Settlement Agreement or collection of the Award in the relevant legal jurisdictions. Although we believe, subsequent to the Return of Capital Transaction, that we will have sufficient working capital to carry on our activities for the next 12 to 24 months, our actual cash burn-rate may require us to seek additional sources of funding to ensure our ability to continue our activities in the normal course. As discussed elsewhere in this management's discussion and analysis, the U.S. and Canadian Sanctions have and are expected to continue to adversely impact our ability to receive payments from Venezuela pursuant to the Settlement Agreement and our ability to proceed with the development of the Siembra Minera Project. Operating Activities Cash flow used in operating activities for the years ended December 31, 2018 and 2017 was approximately $64.2 million and $47.0 million, respectively. Cash flow used in operating activities consists of net income (the components of which are more fully discussed below) adjusted for losses on marketable securities, income tax and non-cash expense items primarily related to stock option compensation, accretion of convertible notes recorded as interest expense and certain non-cash changes in working capital.

Cash flow used in operating activities during the year ended December 31, 2018 increased from the prior comparable period primarily due to a $21.5 million impairment loss on funds held in trust (See "Brisas Arbitral Award Settlement and Mining Data Sale") partially offset by decreases in cash paid for arbitration and settlement and decreases in expenses associated with receipt of payments under the Settlement Agreement.

Investing Activities

	2018	Change	2017
Proceeds from sale of mining data	$ -	$ (187,500,000)	$ 187,500,000
Proceeds from disposition of marketable securities	74,311,349	74,311,349	-
Purchase of property, plant and equipment	(89,679)	502,850	(592,529)
	$ 74,221,670	$ (112,685,801)	$ 186,907,471

Cash flow from investing activities decreased during the year ended December 31, 2018 due to a reduction in receipt of payments associated with the Settlement Agreement. During the year ended December 31, 2017, the Company recorded the receipt of approximately $187.5 million associated with the Settlement Agreement and acquired approximately $0.6 million of property, plant and equipment. As of December 31, 2018, the Company held approximately $11.7 million of Brisas Project related equipment intended for future sale or use (See Note 6 to the audited consolidated financial statements).

Financing Activities

	2018	Change	2017
Proceeds from the issuance of common shares	$ -	$ (5,973,474)	$ 5,973,474
Settlement of debt	-	43,962,181	(43,962,181)
	$ -	$ 37,988,707	$ (37,988,707)

During the year ended December 31, 2017, certain directors, officers, employees and consultants exercised approximately 2.1 million outstanding options for net proceeds to the Company of approximately $6.0 million. The Company did not have cash flows from financing activities during the year ended December 31, 2018.

In the third quarter of 2017, the Company settled all of its 2018 Notes. Prior to settlement, the Company had a total of $59.1 million face value of 2018 Notes outstanding. Of these notes, $36.3 million were redeemed for cash and the Company paid an additional $6.4 million related to a 20% premium due on the redeemed notes and $0.2 million in interest to the redemption date. The remaining $22.8 million 2018 Notes were converted to approximately 7.6 million Class A Shares. As a result of the redemption or conversion of 2018 Notes, the Company recorded a $16.6 million loss on settlement of debt consisting of the $6.4 million premium paid and approximately $10.2 million of remaining unamortized discount. In October 2017 the Company redeemed for cash its remaining debt, which consisted of approximately $1.0 million face value of 2022 Convertible Notes (See Note 10 to the audited consolidated financial statements).

Contractual Obligations

We had no material contractual obligation payments as of December 31, 2018. Results of Operations

SUMMARY

Consolidated income, expenses, net income before tax and net income for the years ended December 31, 2018 and 2017 were as follows:

	2018	Change	2017
Income	$ 51,569,175	$ (119,128,753)	$ 170,697,928
Expenses	(19,680,922)	26,432,956	(46,113,878)
Net income before tax	$ 31,888,253	$ (92,695,797)	$ 124,584,050
Net income	$ 41,858,370	$ (47,652,506)	$ 89,510,876

INCOME (LOSS)

	2018	Change	2017
Gain on sale of mining data	$ 52,500,000	$ (135,000,000)	$ 187,500,000
Arbitration award	36,000,000	36,000,000	-
Interest income	325,183	276,860	48,323
Loss on impairment of trust account	(21,456,881)	(21,456,881)	-
Loss on settlement of debt	-	16,637,379	(16,637,379)
Loss on marketable debt securities	(14,188,651)	(14,188,651)	-
Gain on marketable equity securities	48,405	48,405	-
Foreign currency loss	(1,658,881)	(1,445,865)	(213,016)
	$ 51,569,175	$ $ (119,128,753)	$ 170,697,928

As the Company has no commercial production or source of operating cash flow at this time, income is often variable from period to period and subject to payments made pursuant to the Settlement Agreement. The decrease in income was primarily due to the net decrease in receipts associated with the sale of the Mining Data and collection of the Award, the loss on impairment of trust account and the loss on the disposition of debt securities, partially offset by a decrease in loss on settlement of debt.

EXPENSES

	2018	Change	2017
Corporate general and administrative	$ 7,468,553	$ (9,247,239)	$ 16,715,792
Retention units	-	(7,694,200)	7,694,200
Contingent value rights	4,799,114	897,955	3,901,159
Siembra Minera Project	5,125,815	(2,384,773)	7,510,588
Exploration costs	27,980	(55,879)	83,859
Legal and accounting	1,140,436	127,668	1,012,768
Arbitration and settlement	217,974	(2,217,671)	2,435,645
Equipment holding costs	901,050	239,252	661,798
Interest expense	-	(6,098,069)	6,098,069
Total expenses for the period	$ 19,680,922	$ (26,432,956)	$ 46,113,878

Corporate general and administrative expense for the year ended December 31, 2018 decreased from the comparable period in 2017 primarily due to decreases in expense related to non-cash charges associated with the issuance of stock options and compensation expense. Retention Units became due and payable in full in 2017 as a result of the collection of proceeds pursuant to the Settlement Agreement. The increase in costs associated with the CVRs from the comparable period in 2017 is a result of the timing of the receipt of payments pursuant to the Settlement Agreement. Expenses associated with the Siembra Minera Project decreased from the prior period as a result of a decrease in compensation of consultants working on project. The decrease in arbitration and settlement costs is related to the contingent legal fees that became due and payable in the second quarter of 2017 upon receiving payment under the Settlement Agreement and a decrease in arbitration and settlement related activities. The increase in equipment holding costs was due to the relocation of certain equipment in 2018. The decrease in interest expense was due to the redemption or conversion of convertible notes in the third quarter of 2017. Overall, total expenses for the year ended December 31, 2018 decreased by approximately $26.4 million from the comparable period in 2017.

SUMMARY OF QUARTERLY RESULTS (1)

Quarter ended	12/31/18	9/30/18	6/30/18 (3)	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17
Income (loss)	$ (33,559,907)	$ (3,023,589)	$ 88,121,074	$ 31,597	$ (120,524)	$ 82,289,038	$ 88,522,726	$ 6,688
Net income (loss)								
before tax (2)	(36,090,031)	(8,604,190)	79,049,035	(2,466,561)	(3,935,744)	65,135,602	72,138,879	(8,754,687)
Per share	(0.36)	(0.09)	0.80	(0.02)	(0.04)	0.68	0.80	(0.10)
Fully diluted	(0.36)	(0.09)	0.79	(0.02)	(0.04)	0.68	0.70	(0.10)
Net Income (loss) (2)	(25,921,698)	3,720,859	67,125,060	(3,065,851)	7,698,845	34,275,443	56,291,275	(8,754,687)
Per share	(0.26)	0.04	0.67	(0.03)	0.08	0.36	0.63	(0.10)
Fully diluted	(0.26)	0.04	0.67	(0.03)	0.08	0.36	0.55	(0.10)

(1) The information shown above is derived from our unaudited consolidated financial statements that have been prepared in accordance with U.S. generally accepted accounting principles.

(2) Net income (loss) from continuing and total operations attributable to owners of the parent.

(3) As restated

In the third and fourth quarters of 2018, income decreased as the Company did not record additional receipts from the award and the Company recorded losses on marketable debt securities and loss on impairment of funds held in trust. In the second quarter of 2018, income increased as a result of gain on sale of Mining Data and the collection of the arbitration award. In the first quarter of 2018, income increased as a result of a decrease in foreign currency loss. In the fourth quarter of 2017, income decreased as the Company did not have any receipts from the sale of its Mining Data. In the third quarter of 2017, the Company recorded $88.5 million of income related to the sale of its Mining Data and a $6.1 million loss on settlement of debt. In the second quarter of 2017, the Company recorded $99.0 million of income related to the sale of its Mining Data and a $10.5 million loss on settlement of debt. In the first quarter of 2017, income (loss) consisted of interest income and foreign currency loss.

In the fourth quarter of 2018 the Company recorded a net loss primarily as a result of losses on marketable debt securities and loss on impairment of funds held in trust partially offset by an increase in tax benefit (See Note 11 to the audited consolidated financial statements). In the third quarter of 2018, the Company recorded net income primarily as a result of the recognition of certain tax benefits related to the costs incurred in the development of the Mining Data. In the second quarter of 2018, net income increased as a result of gain on sale of Mining Data and the collection of the arbitration award. In the first quarter of 2018, the Company recorded net losses primarily because the Company did not have any receipts from the sale of its Mining Data or from the arbitration award. In the fourth quarter of 2017, the Company recorded net income primarily as a result of an adjustment to income tax expense. In the second and third quarters of 2017, the Company recorded net income as a result of the deposit of funds by Venezuela into the Trust Account associated with the sale of its Mining Data partially offset by the loss on settlement of debt. In the first quarter of 2017, net loss increased primarily as a result of non-cash stock option compensation expense of $4.4 million partially offset by a $1.2 million decrease in arbitration and settlement costs.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenues and expenses, results of operations, liquidity, capital expenditures or capital resources.

Transactions with Related Parties

In the third quarter of 2017, the Company settled all of its 2018 Notes. Prior to settlement, the Company had a total of $59.1 million face value of 2018 Notes outstanding. Of these notes, $15.4 million and $26.0 million were held by funds managed by Steelhead Partners, LLC (“Steelhead”) and Greywolf Capital Management L.P. ("Greywolf"), respectively. Both Steelhead and Greywolf exercised control or direction over more than 10% of the Class A Shares prior to the transaction. (See Note 10 to the audited consolidated financial statements).

Internal Control over Financial Reporting (ICFR) and Disclosure Controls and Procedures (DC&P)

In connection with the preparation of the Company’s unaudited interim consolidated financial statements for the three and nine months ended September 30, 2018, an error was identified in the income tax calculation for the three month period ended June 30, 2018, which impacted the Company’s previously filed unaudited interim financial statements for the three and six month periods ended June 30, 2018. Management did not recognize that income should have been allocated to a different taxing jurisdiction which resulted in a material error in the calculation of tax expense for the period ended June 30, 2018. In conjunction with this matter, the Company’s management determined it had a material weakness in the Company’s ICFR and DC&P, and as such, its internal control over financial reporting as of September 30, 2018 was not effective. Management remediated this control deficiency by the implementation of additional review and oversight procedures with respect to the preparation and review of the tax amounts included in the financial statements including allocation to the appropriate taxing jurisdiction. As stated in Management's Annual Report on Internal Controls over Financial Reporting, management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2018. Based on this assessment, management concluded that the Company's ICFR and DC&P were effective as of December 31, 2018.

Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the audited consolidated financial statements include the:

- assessments of the recoverability of the Brisas Project related equipment and the estimated fair value determined in connection with impairment testing;
- use of the fair value method of accounting for stock options which is computed using the Black- Scholes method which utilizes estimates that affect the amounts ultimately recorded as stock based compensation; and
- preparation of tax filings in a number of jurisdictions requires considerable judgment and the use of assumptions.

The amounts reported based on accounting estimates could vary in the future.

Any current or future operations we may have are subject to the effects of changes in legal, tax and regulatory regimes, political, labor and economic developments, social and political unrest, currency and exchange controls, import/export restrictions and government bureaucracy in the countries in which it operates.

Risk Factors

Set out below are certain risk factors that could materially adversely affect our future business, operating results or financial condition. Investors should carefully consider these risk factors and the other risk factors and information in this MD&A and our filings with Canadian and U.S. securities regulators, before making investment decisions involving our securities. The following risk factors, as well as risks not currently known to us, could adversely affect our future business, operations and financial condition and could cause future results to differ materially from the estimates described in our forward-looking statements.

Risks Related to Collection of Award and Sale of Mining Data

Failure to collect amounts payable pursuant to the Settlement Agreement could materially adversely affect the Company.

In July 2016, we signed the Settlement Agreement whereby Venezuela agreed to pay us the Award (including interest) and purchase our Mining Data. Under the terms of the Agreement, Venezuela agreed to pay the Company $792 million to satisfy the Award and $240 million for the purchase of the Mining Data for a total of approximately $1.032 billion in installments over approximately 24 months. The first $240 million received by Gold Reserve from Venezuela was related to the sale of the Mining Data. Pursuant to the Settlement Agreement, Venezuela agreed to make the Initial Payment of $40 million followed by 23 monthly payments of $29.5 million on or before the 15th day of each month starting in July 2017, with a final payment of approximately $313.3 million scheduled to be paid on or before June 15, 2019.

All Settlement Agreement payments made by Venezuela, excluding the Venezuelan government bonds transferred to the Company in August 2018, were initially deposited into the Trust Account held at Bandes Bank. Pursuant to the terms of the Trust Agreement, the Company has the right to direct the transfer of the funds to its bank accounts outside of Venezuela. With the designation of Bandes Bank as an SDN on March 22, 2019, the Company is treating the Trust Account as blocked property. The Trust Account and the funds therein will remain blocked property until the U.S. government delists Bandes Bank as an SDN or issues a specific license to the Company to unblock this property. The Company plans to submit a license application to request the unblocking of the Trust Account and funds (See "U.S. and Canadian Sanctions").

As of the date of MD&A, Venezuela has made payments pursuant to the Settlement Agreement of approximately $254 million including $165.5 million transferred from the Trust Account for the benefit of the Company and $88.5 million in Venezuelan government bonds. In August 2018, the Company received Venezuelan government bonds which were exempt from U.S. Sanctions pursuant to then-applicable General License 3 issued by OFAC with a market value, at the time of the agreement, of approximately $88.5 million representing the December 2017 and January and February 2018 monthly installments due under the Settlement Agreement (as described elsewhere in this document, General License 3 has since been amended several times, with more restrictions applying to transactions related to Venezuelan government bonds under General Licenses 3E and 9D). The bonds were subsequently sold for approximately $74.3 million.

The monthly payments pursuant to the Settlement Agreement from March 2018 through April 2019 totaling approximately $413 million, not including the balance in the Trust Account, remain unpaid. Given the current political, economic and social conditions in Venezuela, it is unclear when or if Venezuela will pay the remaining obligations contained in the Settlement Agreement totaling approximately $778 million or when or if the Company will decide to re-commence its efforts to collect the remaining amount of the Award including interest. As discussed herein, U.S. and Canadian Sanctions continue to impede our efforts to collect payments pursuant to the Settlement Agreement and our efforts to develop the Siembra Minera Project.

Venezuela's well publicized economic turmoil has made it difficult for the government to abide by the terms of the Settlement Agreement. In addition, Venezuela is reliant upon international intermediary banks to facilitate the transfer of funds to our bank account. The U.S. and Canadian Sanctions (as more fully described elsewhere in this document) have led these banks to either decline to facilitate such transfers or put significant limitations on their participation, which has delayed or blocked Venezuela's ability to transfer the funds in accordance with the Settlement Agreement. In addition, the SDN designation by the U.S. government of Bandes Bank, where the Trust Account is held, will complicate the transfer of funds from the Trust Account so long as the Company receives payments from Venezuela into this account and Bandes Bank remains an SDN.

There can be no assurances that we will receive future payments contemplated by the Settlement Agreement or, if any such payments are made, that we will be successful in transferring such funds to our bank account. Moreover, to the extent we continue to receive any such payments in the Trust Account, there can be no assurance that we will be successful in obtaining the required license to unblock the account or that relevant Sanctions will otherwise be lifted. In the event we do not receive future payments contemplated by the Settlement Agreement, we may also be forced to renew the lengthy enforcement and collection process which could materially adversely affect, among other things, our ability to make payments pursuant to the CVRs, Bonus Plan, distribute funds to our shareholders or otherwise maintain sufficient liquidity to operate as a going concern.

TERMINATION OF THE SETTLEMENT AGREEMENT AS A RESULT OF VENEZUELA'S FAILURE TO MAKE THE CONTEMPLATED PAYMENTS THEREUNDER COULD MATERIALLY ADVERSELY AFFECT THE COMPANY.

As part of the Settlement Agreement, the Company agreed to suspend the legal enforcement of the Award until final payment is made by Venezuela and Venezuela agreed to irrevocably waive its right to appeal the February 2017 judgment issued by the Cour d'appel de Paris dismissing the annulment applications filed by Venezuela in respect of the Award and agreed to terminate all other proceedings seeking annulment of the Award.

Notwithstanding Venezuela having waived its right to appeal, future enforcement and collection of the Award is expected to be a lengthy process and will be ongoing for the foreseeable future if we are not successful in consummating the transactions contemplated by the Settlement Agreement. In addition, the cost of pursuing collection of the Award could be substantial and there is no assurance that we will be successful. Failure to otherwise collect the Award if the Settlement Agreement is abandoned would materially adversely affect our ability to maintain sufficient liquidity to operate as a going concern.

SANCTIONS CURRENTLY IMPOSED ON VENEZUELA BY THE U.S. AND CANADA, AND ANY FURTHER SANCTIONS THAT MAY BE IMPOSED IN THE FUTURE, COULD MATERIALLY ADVERSELY AFFECT THE COMPANY.

As described above under the risk factor entitled “Failure to collect amounts payable pursuant to the Settlement Agreement could have a material adverse effect on the Company,” the U.S. and Canadian governments have imposed Sanctions targeting the Venezuelan government (See "U.S. and Canadian Sanctions") and Siembra Minera as a result of the Venezuelan government's 55% ownership. Failure to comply with these Sanctions could result in civil or, in some cases, criminal consequences for the Company and/or our officers and directors. Compliance with the current Sanctions, as well as any future Sanctions that may be imposed by the U.S. or Canada, may restrict our ability to consummate the transactions contemplated by the Settlement Agreement or the mixed company arrangements related to the Siembra Minera Project, including:

- an inability to receive, process or use the payments (in whatever form received by us) contemplated by the Settlement Agreement, or to transfer such payments to our bank outside of Venezuela (see the risk factor entitled “Failure to collect amounts payable pursuant to the Settlement Agreement could materially adversely affect the Company”);
- an inability to obtain all or part of financing sufficient to cover the anticipated capital or operating costs of the Siembra Minera Project on favorable terms, or at all; and
- an inability to obtain operating permits, enter into transactions or otherwise meet our obligations with respect to the operation of the Siembra Minera Project pursuant to the mixed company agreement.

The occurrence of any of the foregoing or others could result in the inability for the Settlement Agreement or mixed company arrangements to be performed in their current form and/or could have a material adverse effect on the Company, including our ability to own our interest in the mixed company or operate it or maintain sufficient liquidity to operate it as a going concern.

WE HAVE NO COMMERCIAL OPERATIONS AND MAY BE UNABLE TO CONTINUE AS A GOING CONCERN.

We have no revenue producing operations at this time. Our future working capital position is dependent upon the receipt of amounts due to us pursuant to the Settlement Agreement or collection of the Award in the relevant legal jurisdictions. Although we believe, subsequent to the Return of Capital Transaction, that we will have sufficient working capital to carry on our activities for the next 12 to 24 months, our actual cash burn-rate may require us to seek additional sources of funding to ensure our ability to continue our activities in the normal course. As discussed elsewhere in this management's discussion and analysis the U.S. and Canadian Sanctions have and are expected to continue to adversely impact our ability receive payments from Venezuela pursuant to the Settlement Agreement and our ability to proceed with the development of the Siembra Minera Project.

Our reliance on the receipt of the payments contemplated by the Settlement Agreement or the collection of the Award for our operating needs is expected to continue into the foreseeable future unless and until we are able to develop the Siembra Minera Project or an alternative project and achieve commercial production. If the Settlement Agreement were to be abandoned due to lack of payment by Venezuela, our longer-term funding requirements may be adversely impacted. Unforeseen financial market conditions, industry conditions or other unknown or unpredictable conditions may exist in the future and, as a result, there can be no assurance that alternative funding would be available or, if available, offered on acceptable terms.

Risks Related to the Class A Shares

THE PRICE AND LIQUIDITY OF THE CLASS A SHARES MAY BE VOLATILE.

The market price of the Class A Shares may fluctuate based on a number of factors, some of which are beyond our control, including:

- we do not have an active market for the Class A Shares and large sell or buy transactions may affect the market price;
- developments in our efforts to conclude the transactions contemplated by the Settlement Agreement;
- economic and political developments in Venezuela including the impact of Sanctions on our ability to consummate the transactions contemplated by the Settlement Agreement or the terms of the mixed company arrangement related to the development of the Siembra Minera Project;
- the effects of the Return of Capital Transaction or our failure to complete such transaction;
- our operating performance and financial condition;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general purposes;
- the public's reaction to announcements or filings by us or other companies;
- the public's reaction to negative news regarding Venezuela and/or international responses to Venezuelan domestic and international policies;
- the price of gold, copper and silver; and
- the addition to or changes to existing personnel.

The effect of these and other factors on the market price of the Class A Shares has historically made our share price volatile and suggests that our share price will continue to be volatile in the future.

WE MAY ISSUE ADDITIONAL CLASS A SHARES, DEBT INSTRUMENTS CONVERTIBLE INTO CLASS A SHARES OR OTHER EQUITY-BASED INSTRUMENTS TO FUND FUTURE OPERATIONS.

We cannot predict the size of any future issuances of securities, or the effect, if any, that future issuances and sales of our securities will have on the market price of the Class A Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into shares, may result in dilution to present and prospective holders of shares.

THE COMPANY'S CURRENT OR FUTURE PLANS TO DECLARE CASH DIVIDENDS OR MAKE DISTRIBUTIONS TO SHAREHOLDERS ARE SUBJECT TO INHERENT RISKS.

On March 27, 2019, the Company announced that the Board had approved the distribution of between approximately $90 million and $100 million in the aggregate, to holders of Class A Shares as a return of capital. On April 16, 2019, following the Government of Canada's decision on April 15, 2019 to impose Sanctions against 43 additional individuals under the *Special Economic Measures (Venezuela) Regulations* of the *Special Economic Measures Act*, the Board determined that it was in the best interests of the Company and its Shareholders to reduce the aggregate amount of capital to be returned to Shareholders pursuant to the Return of Capital transaction to approximately US$75 million, or approximately US$0.76 per Class A Share. We have not previously declared or paid any dividend since 1984.

The Return of Capital Transaction that has been approved by our Board includes risks related to our ability to receive required approvals from our Shareholders, the Court, and the TSXV and the risk that our Board may determine not to move forward with the Return of Capital Transaction if it determines it is no longer in the best interests of the Company and its Shareholders.

We may declare cash dividends or make distributions in the future only if our earnings and capital are sufficient to justify the payment of such dividends or distributions.

Risks Related to the Business

ANY DEVELOPMENT ACTIVITIES ON THE SIEMBRA MINERA PROJECT WILL REQUIRE ADDITIONAL EXPLORATION WORK AND FINANCING AND THERE IS NO ASSURANCE THAT THE PROJECT WILL BE DETERMINED FEASIBLE.

In March 2018, the Company published the results of a PEA of the Siembra Minera Project. The conclusions of management and its qualified consultants referred to in the PEA may not be realized in the future. Even if the required financing is obtained, substantial effort and financing would be required to commence work on any Siembra Minera Project. We can provide no assurances that the project or its development would be determined feasible.

OUR POTENTIAL FUTURE OPERATIONS RELATED TO THE SIEMBRA MINERA PROJECT WILL BE CONCENTRATED IN VENEZUELA AND WILL BE SUBJECT TO INHERENT LOCAL RISKS.

Our potential future operations related to the Siembra Minera Project will be located in Venezuela and, as a result, we will be subject to operational, regulatory, political and economic risks specific to its location, including:

- the effects of local political, labor and economic developments, instability and unrest;
- changes in the government of Venezuela and among its officeholders;
- significant or abrupt changes in the applicable regulatory or legal climate;
- currency instability, hyper-inflation and the environment surrounding the financial markets and exchange rate in Venezuela;
- international response to Venezuelan domestic and international politics and policies, including the threat of military intervention and armed conflict;
- limitations on mineral exports;
- invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights;
- exchange controls and export or sale restrictions;
- currency fluctuations, repatriation restrictions and operation in a highly inflationary economy;
- competition with companies from countries that are not subject to Canadian and U.S. laws and regulations;
- laws or policies of foreign countries and Canada affecting trade, investment and taxation;
- civil unrest, military actions and crime;

- corruption, requests for improper payments, or other actions that may violate Canadian and U.S. foreign corrupt practices acts, uncertain legal enforcement and physical security;
- new or changes in regulations related to mining, environmental and social issues; and
- the willingness of future governments in Venezuela to uphold and abide by agreements and commitments made by previous governments.

FAILURE TO ATTRACT NEW AND/OR RETAIN EXISTING PERSONNEL COULD ADVERSELY AFFECT US.

We are dependent upon the abilities and continued participation of existing personnel to manage activities related to the Settlement Agreement, operation of Siembra Minera, development of the Siembra Minera Project and to identify, acquire and develop new opportunities. Substantially all of our existing management personnel have been employed by us for over 20 years. The loss of existing employees or an inability to obtain new personnel necessary to execute future efforts to acquire and develop a new project, such as the Siembra Minera Project, could have a material adverse effect on our future operations.

RISKS INHERENT IN THE MINING INDUSTRY COULD ADVERSELY IMPACT FUTURE OPERATIONS.

Exploration for gold and other metals is speculative in nature, involves many risks and frequently is unsuccessful. As is customary in the industry, not all prospects will be positive or progress to later stages (e.g. the feasibility, permitting, development and operating stages), therefore, we can provide no assurances as to the future success of our efforts related to the Siembra Minera Project and the LMS Gold Project. Exploration programs entail risks relating to location, metallurgical processes, governmental permits and regulatory approvals and the construction of mining and processing facilities. Development can take a number of years, requiring substantial expenditures and there is no assurance that we will have, or be able to raise, the required funds to engage in these activities or to meet our obligations with respect to the Siembra Minera Project and the LMS Gold Project. Any one or more of these factors or occurrence of other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies.

U. S. INTERNAL REVENUE SERVICE DESIGNATION AS A "PASSIVE FOREIGN INVESTMENT COMPANY" MAY RESULT IN ADVERSE U. S. TAX CONSEQUENCES TO U.S. HOLDERS.

U.S. taxpayers should be aware that we have determined that the Company was not a "passive foreign investment company" (a "PFIC") under section 1297(a) of the U.S Internal Revenue Code (the "Code") for the taxable year ended December 31, 2018. However, there can be no assurance that the Internal Revenue Service ("IRS") will not take a contrary position. It is uncertain whether the Company will be considered a PFIC in subsequent years. The determination of whether we and any of our subsidiaries will be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether we and any of our subsidiaries will be a PFIC for any taxable year generally depends on our assets and income and those of our subsidiaries' over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this MD&A. Accordingly, there can be no assurance that we and any of our subsidiaries will not be a PFIC for any taxable year. If, in subsequent years, the Company is considered a PFIC, a U.S. taxpayer may be able to make certain elections under the PFIC rules with respect to the Class A Shares that will affect such taxpayer's U.S. federal income tax consequences of owning, selling or otherwise disposing the Class A Shares.

A U.S. taxpayer that owned Class A Shares prior to January 1, 2017 but has not previously made a timely and effective "QEF election" with respect to the Class A Shares, will continue throughout the taxable year ended December 31, 2018 to be subject to the PFIC rules and, for purposes of determining the U.S. federal income tax consequences to such U.S. taxpayer of owning, selling or otherwise disposing the Class A shares, the Company will still be treated as a PFIC for the taxable year ended December 31, 2018. Accordingly, any gain recognized by such U.S. taxpayer on the sale of the Class A Shares and any "excess distributions" (as specifically defined in the Code) paid on the Class A Shares to such U.S. taxpayer must be ratably allocated to each day in the U.S. taxpayer's holding period for the Class A Shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the Class A Shares generally will be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that owned Class A Shares prior to January 1, 2017 and who previously made a valid and timely "QEF election" should not be required to include any amounts in income under section 1293 of the Code with respect to the Company's taxable year ended December 31, 2018. A U.S. taxpayer's QEF election will remain in effect for subsequent years. In the event the Company is considered a PFIC in a subsequent year, a U.S. taxpayer who has made a QEF election will again be required to annually include such Shareholder's pro rata share of our "net capital gain" and "ordinary earnings" (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by us.

As a possible second alternative, a U.S. taxpayer that owned Class A Shares prior to January 1, 2017 may have previously made a "mark-to-market election" with respect to a taxable year in which we were a PFIC and the Class A Shares were "marketable stock" (as specifically defined in the Code). A U.S. taxpayer that has previously made a mark-to-market election generally is required to include in gross income, for each taxable year in which we are a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Class A Shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in such Class A Shares. No such inclusion is required for a taxpayer year in which the Company is not a PFIC. A U.S. taxpayer's mark-to-market election will remain in effect for subsequent years. In the event the Company is considered a PFIC in a subsequent year, a U.S. taxpayer who has made a mark-to-market election will again be required to include such amounts in income.

THE RECENTLY PASSED COMPREHENSIVE TAX REFORM BILL COULD MATERIALLY ADVERSELY AFFECT THE COMPANY.

U.S. tax reform legislation, commonly referred to as the Tax Cuts and Jobs Act (the "TCJA"), made significant reforms to the Code including, among other things, a permanent reduction of the corporate income tax rate from a maximum rate of 35% to 21%, a partial limitation on the deductibility of interest expense, a new base erosion and anti-abuse tax, limitation on the deductibility of certain net operating losses ("NOLs") to 80% of current year taxable income, an indefinite carryforward of certain NOLs, immediate deductions for certain new investments, and the modification or repeal of certain business deductions and credits. The U.S. Treasury Department has indicated its intent to issue regulations with respect to certain provisions of the TCJA. Some of these regulations have been issued in proposed form and may be finalized in 2019, while other anticipated regulations have yet to be issued. These proposed and anticipated regulations may have retroactive effect. We continue to examine the impact of the TCJA and additional administrative and regulatory guidance as it is released. The TCJA could materially adversely affect the Company.

THERE ARE MATERIAL TAX RISKS ASSOCIATED WITH HOLDING AND SELLING OR OTHERWISE DISPOSING OUR CLASS A SHARES.

There are material tax risks associated with holding and selling or otherwise disposing the Class A Shares. Each prospective investor is urged to consult its own tax advisor regarding the tax consequences to him or her with respect to the ownership and disposition of the Class A Shares.

IT MAY BE DIFFICULT TO BRING CERTAIN ACTIONS OR ENFORCE JUDGMENTS AGAINST THE COMPANY AND/OR ITS DIRECTORS AND EXECUTIVE OFFICERS.

Investors in the U.S. or in other jurisdictions outside of Canada may have difficulty bringing actions and enforcing judgments against us, our directors or executive officers based on civil liability provisions of federal securities laws or other laws of the U.S. or any state thereof or the equivalent laws of other jurisdictions of residence. We are organized under the laws of Alberta, Canada. Some of our directors and officers, and some of the experts named from time to time in our filings, are residents of Canada or otherwise reside outside of the U.S. and all or a substantial portion of their and our assets, may be located outside of the U.S. As a result, it may be difficult for investors in the U.S. or outside of Canada to bring an action in the U.S. against our directors, officers or experts who are not residents in the U.S. It may also be difficult for an investor to enforce a judgment obtained in a U.S. court or a court of another jurisdiction of residence predicated upon the civil liability provisions of Canadian securities laws or U.S. federal securities laws or other laws of the U.S. or any state thereof against us or those persons.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Adopted in the year

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. This update was effective for us January 1, 2018. The updated guidance resulted in a reclassification of $0.1 million of unrealized holding gains and losses related to investments in marketable equity securities from accumulated other comprehensive income to accumulated deficit in the Balance Sheet upon adoption. Changes in the value of the Company's marketable equity securities are now recorded as income (loss) instead of other comprehensive income (loss).

In January 2017, the FASB issued ASU 2017-01, Business Combinations. This update clarifies the definition of a business and adds guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows – Restricted Cash. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments. This update is intended to reduce the existing diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from contracts with customers. This standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases. This update is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This update is effective for us commencing with the annual period beginning after December 15, 2018, including interim periods within that year. We do not expect the adoption of this standard will have a significant impact on our financial statements.

DISCLOSURE OF OUTSTANDING SHARE DATA

Class A Shares

We are authorized to issue an unlimited number of Class A Shares without par value of which 99,395,048 Class A Shares were issued and outstanding as at the date hereof. Shareholders are entitled to receive notice of and attend all meetings of Shareholders with each Class A Share held entitling the holder to one vote on any resolution to be passed at such Shareholder meetings. Shareholders are entitled to dividends if, as and when declared by the Board. Shareholders are entitled upon our liquidation, dissolution or winding up to receive our remaining assets available for distribution to shareholders.

Preferred Shares

We are authorized, subject to the limitations prescribed by law and our articles of incorporation, from time to time, to issue an unlimited number of serial preferred shares (the "Preferred Shares"); and to determine variations, if any, between any series so established as to all matters, including, but not limited to, the rate of dividend and whether dividends shall be cumulative or non-cumulative; the voting power of holders of such series; the rights of such series in the event of the dissolution of the Corporation or upon any distribution of the assets of the Corporation; whether the shares of such series shall be convertible; and such other designations, rights, privileges, and relative participating, optional or other special rights, and such restrictions and conditions thereon as are permitted by law. There are no Preferred shares issued or outstanding as of the date hereof.

Share Purchase Options

We maintain the 2012 Equity Incentive Plan (the "2012 Plan") which provides for the grant of stock options of up to 8,750,000 of the Class A Shares. As of December 31, 2018, there were 4,554,565 options outstanding and 2,122,000 remaining options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSXV and as may be determined by a committee established pursuant to the 2012 Plan, or in certain cases, by the Board.

Stock options exercisable for common shares as of the date herein:

Expiry Date	Exercise Price	Number of Shares
June 15, 2019	$4.02	60,000
June 15, 2019	$3.15	125,000
June 9, 2021	$1.92	444,922
July 25, 2024	$4.02	250,000
June 29, 2025	$3.91	180,000
February 16, 2027	$3.15	2,907,146
May 1, 2027	$2.69	125,000
Total Class A Shares issuable pursuant to stock options		4,092,068

Capital Structure

The following summarizes our share capital structure as of the date hereof:

Class A Shares outstanding	99,395,048
Shares issuable pursuant to the 2012 Equity Incentive Plan	4,092,0688
Total shares outstanding, fully diluted	103,487,116

Management’s Annual Report on Internal Control over Financial Reporting

Management’s Annual Report on Internal Control over Financial Reporting

The accompanying audited consolidated financial statements of Gold Reserve Inc. were prepared by management in accordance with accounting principles generally accepted in the United States, consistently applied and within the framework of the summary of significant accounting policies contained therein. Management is responsible for all information in the accompanying audited consolidated financial statements.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the U.S. Internal control over financial reporting includes:

- maintaining records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements in accordance with U.S. generally accepted accounting principles;
- providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of our executive officers; and
- providing reasonable assurance that unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements would be prevented or detected on a timely basis.

Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2018 based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2018.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2018 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ Rockne J. Timm	/s/ Robert A. McGuinness
Chief Executive Officer April 26, 2019	Vice President-Finance and Chief Financial Officer April 26, 2019

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Gold Reserve Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Gold Reserve Inc. and its subsidiaries (together, the Company) as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and their results of operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its 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.

s/*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Vancouver, Canada
April 26, 2019

We have served as the Company's auditor since 2001.

GOLD RESERVE INC.

CONSOLIDATED BALANCE SHEETS

(Expressed in U.S. dollars)

			December 31, 2018		December 31, 2017
ASSETS					
Current Assets:					
Cash and cash equivalents (Note 4)			$ 147,646,353	$	137,672,718
Marketable securities (Note 5)			287,638		239,232
Income tax receivable			6,450,384		–
Deposits, advances and other (Note 7)			1,608,698		156,050
Total current assets			155,993,073		138,068,000
Property, plant and equipment, net (Note 6)			12,660,273		12,632,534
Total assets			$ 168,653,346	$	150,700,534
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued expenses (Note 3)			$ 712,520	$	2,167,171
Income tax payable			–		1,263,438
Contingent value rights (Note 3)			–		3,097,193
Total current liabilities			712,520		6,527,802
Deferred income tax (Note 11)			–		18,402,483
Total liabilities			712,520		24,930,285
SHAREHOLDERS' EQUITY					
Serial preferred stock, without par value					
Authorized:	Unlimited				
Issued:	None				
Common shares			378,009,884		378,009,884
Class A common shares, without par value					
Authorized:	Unlimited				
Issued and outstanding:	2018...99,395,048	2017...99,395,048			
Contributed surplus (Note 10)			20,625,372		20,625,372
Stock options (Note 9)			20,721,850		20,409,643
Accumulated deficit			(251,416,280)		(293,386,189)
Accumulated other comprehensive income			–		111,539
Total shareholders' equity			167,940,826		125,770,249
Total liabilities and shareholders' equity			$ 168,653,346	$	150,700,534

Contingencies (Note 3)

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

Approved by the Board of Directors:

/s/ Jean Charles Potvin /s/ James P. Geyer

GOLD RESERVE INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. dollars)

	For the Years Ended December 31,	
	2018	**2017**
INCOME (LOSS)		
Gain on sale of mining data (Note 3)	$ 52,500,000	$ 187,500,000
Arbitration award (Note 3)	36,000,000	–
Interest income	325,183	48,323
Loss on impairment of trust account (Note 4)	(21,456,881)	–
Loss on settlement of debt (Note 10)	–	(16,637,379)
Loss on marketable debt securities (Note 5)	(14,188,651)	–
Gain on marketable equity securities	48,405	–
Foreign currency loss	(1,658,881)	(213,016)
	51,569,175	170,697,928
EXPENSES		
Corporate general and administrative	7,468,553	16,715,792
Retention units	–	7,694,200
Contingent value rights	4,799,114	3,901,159
Siembra Minera Project (Note 7)	5,125,815	7,510,588
Exploration costs	27,980	83,859
Legal and accounting	1,140,436	1,012,768
Arbitration and settlement (Note 3)	217,974	2,435,645
Equipment holding costs	901,050	661,798
Interest expense (Note 10)	–	6,098,069
	19,680,922	46,113,878
Net income before income tax expense	31,888,253	124,584,050
Income tax benefit (expense) (Note 11)	9,970,117	(35,073,174)
Net income for the year	$ 41,858,370	$ 89,510,876
Net income per share, basic and diluted	$ 0.42	$ 0.96
Weighted average common shares outstanding		
Basic	99,395,048	93,649,587
Diluted	99,497,860	94,162,693

GOLD RESERVE INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in U.S. dollars)

	For the Years Ended December 31,	
	2018	**2017**
Net income for the year	$ 41,858,370	$ 89,510,876
Other comprehensive loss, net of tax:		
Items that may be reclassified subsequently to the consolidated statement of operations:		
Loss on marketable securities, net of tax of nil (Note 5)	–	(301,984)
Revaluation of deferred tax liability	–	(29,650)
Other comprehensive loss for the year	–	(331,634)
Comprehensive income for the year	$ 41,858,370	$ 89,179,242

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

GOLD RESERVE INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years Ended December 31, 2018 and 2017

(Expressed in U.S. dollars)

	Common Shares		Contributed	Stock	Accumulated	Accumulated Other Comprehensive
	Number	Amount	Surplus	Options	Deficit	Income
Balance, December 31, 2016	89,710,604	$ 342,190,645	$ 25,723,900	$ 17,353,725	$ (382,897,065)	$ 443,173
Net income	–	–	–	–	89,510,876	–
Other comprehensive loss	–	–	–	–	–	(331,634)
Stock option compensation (Note 9)	–	–	–	5,108,493	–	–
Fair value of options exercised	–	2,052,575	–	(2,052,575)	–	–
Common shares issued for:	–	–	–	–	–	–
Option exercises (Note 9)	2,073,435	5,973,474	–	–	–	–
Note conversions (Note 10)	7,611,009	27,793,190	(5,098,528)	–	–	–
Balance, December 31, 2017	99,395,048	378,009,884	20,625,372	20,409,643	(293,386,189)	111,539
Cumulative effect of accounting change (Note 2)	–	–	–	–	111,539	(111,539)
Net income	–	–	–	–	41,858,370	–
Stock option compensation (Note 9)	–	–	–	312,207	–	–
Balance, December 31, 2018	99,395,048	$ 378,009,884	$ 20,625,372	$ 20,721,850	$ (251,416,280)	$ –

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

GOLD RESERVE INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. dollars)

	For the Years Ended December 31,	
	2018	**2017**
Cash Flows from Operating Activities:		
Net income for the year	$ 41,858,370	$ 89,510,876
Adjustments to reconcile net income to net cash used in operating activities:		
Stock option compensation	312,207	5,108,493
Depreciation	47,940	6,491
Gain on sale of mining data	(52,500,000)	(187,500,000)
Arbitration award	(36,000,000)	–
Loss on settlement of debt	–	16,637,379
Write-down of property, plant and equipment	14,000	–
Accretion of convertible notes	–	6,051,444
Loss on marketable securities	14,140,245	–
Income tax	(26,116,305)	18,402,483
Changes in non-cash working capital:		
Net increase in deposits and advances	(1,452,648)	(2,134)
Net increase (decrease) in accounts payable and accrued expenses	(4,551,844)	4,791,873
Net cash used in operating activities	(64,248,035)	(46,993,095)
Cash Flows from Investing Activities:		
Proceeds from sale of mining data	–	187,500,000
Proceeds from disposition of marketable securities	74,311,349	–
Purchase of property, plant and equipment	(89,679)	(592,529)
Net cash provided by investing activities	74,221,670	186,907,471
Cash Flows from Financing Activities:		
Proceeds from the issuance of common shares	–	5,973,474
Settlement of debt	–	(43,962,181)
Net cash used in financing activities	–	(37,988,707)
Change in Cash and Cash Equivalents:		
Net increase in cash and cash equivalents	9,973,635	101,925,669
Cash and cash equivalents - beginning of year	137,672,718	35,747,049
Cash and cash equivalents - end of year	$ 147,646,353	$ 137,672,718
Supplemental Cash Flow Information:		
Cash paid for interest	$ –	$ 9,589,281
Cash paid for income taxes	$ 16,146,188	$ 15,436,903

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

Note 1. The Company and Significant Accounting Policies:

Gold Reserve Inc. ("Gold Reserve", the "Company", "we", "us", or "our") is engaged in the business of acquiring, exploring and developing mining projects and was incorporated in 1998 under the laws of the Yukon Territory, Canada and continued to Alberta, Canada in September 2014.

Gold Reserve Inc. is the successor issuer to Gold Reserve Corporation which was incorporated in 1956. A significant portion of our recent activities relate to the advancement of the Siembra Minera Project and the execution of the July 2016 settlement agreement, (as amended, the "Settlement Agreement") with the Bolivarian Republic of Venezuela ("Venezuela") in regards to the payment of the Award and the acquisition of our Mining Data by Venezuela (See Note 3, Arbitral Award Settlement and Associated Mining Data Sale and Note 7, Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera")).

Basis of Presentation and Principles of Consolidation. These audited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The statements principally include the accounts of the Company, Gold Reserve Corporation and three Barbadian subsidiaries formed to hold our equity interest in Siembra Minera which is beneficially owned 55% by Venezuela and 45% by Gold Reserve. Our investment in Siembra Minera is accounted for as an equity investment. All other subsidiaries are wholly owned. All intercompany accounts and transactions have been eliminated on consolidation. Our policy is to consolidate those subsidiaries where control exists. We have only one operating segment, the exploration and development of mineral properties.

Cash and Cash Equivalents. We consider short-term, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents for purposes of reporting cash equivalents and cash flows. The cost of these investments approximates fair value. We manage the exposure of our cash and cash equivalents to credit risk by diversifying our holdings into various major financial institutions.

Exploration and Development Costs. Exploration costs incurred in locating areas of potential mineralization or evaluating properties or working interests with specific areas of potential mineralization are expensed as incurred. Development costs of proven mining properties not yet producing are capitalized at cost and classified as capitalized exploration costs under property, plant and equipment. Mineral property holding costs are charged to operations during the period if no significant exploration or development activities are being conducted on the related properties. Upon commencement of production, capitalized exploration and development costs would be amortized based on the estimated proven and probable reserves benefited. Mineral properties determined to be impaired or that are abandoned are written-down to the estimated fair value. Carrying values do not necessarily reflect present or future values.

Property, Plant and Equipment. Included in property, plant and equipment is certain equipment, the carrying value of which has been adjusted, as a result of impairment tests, to its estimated fair value of $11.7 million and which is not being depreciated as it is not yet available for its intended use. The ultimate recoverable value of this equipment may be different than management’s current estimate. We have additional property, plant and equipment which are recorded at cost less impairment charges and accumulated depreciation. Replacement costs and major improvements are capitalized. Maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets retired or sold are removed from the accounts and any resulting gain or loss is reflected in operations. Furniture, office equipment and leasehold improvements are depreciated using the straight-line method over 5 to 10 years. The remaining property, plant and equipment are fully depreciated.

Impairment of Long Lived Assets. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the sum of the expected future net cash flows to be generated from the use or eventual disposition of a long-lived asset (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized based on a determination of the asset’s fair value. Fair value is generally determined by discounting estimated cash flows based on market participant expectations of those future cash flows, or applying a market approach that uses market prices and other relevant information generated by market transactions involving comparable assets.

Foreign Currency. The U.S. dollar is our (and our foreign subsidiaries') functional currency. Monetary assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the rates of exchange in effect at the balance sheet dates. Non-monetary assets and liabilities are translated at historical rates and revenue and expense items are translated at average exchange rates during the reporting period, except for depreciation which is translated at historical rates. Translation gains and losses are included in the statement of operations.

Stock Based Compensation. We maintain an equity incentive plan which provides for the grant of stock options to purchase the Class A common shares. We use the fair value method of accounting for stock options. The fair value of options granted to employees is computed using the Black-Scholes method as described in Note 9 and is expensed over the vesting period of the option. For non-employees, the fair value of stock based compensation is recorded as an expense over the vesting period or upon completion of performance. Consideration paid for shares on exercise of share options, in addition to the fair value attributable to stock options granted, is credited to capital stock. Stock options granted under the plan become fully vested and exercisable upon a change of control.

Income Taxes. We use the liability method of accounting for income taxes. Deferred tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and those amounts reported in the financial statements. The deferred tax assets or liabilities are calculated using the enacted tax rates expected to apply in the periods in which the differences are expected to be settled. Deferred tax assets are recognized to the extent that they are considered more likely than not to be realized.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Income (Loss) Per Share. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of Class A common shares outstanding during each period. Diluted net income per share reflects the potentially dilutive effects of outstanding stock options and convertible notes. In periods in which a loss is incurred, the effect of potential issuances of shares under stock options and convertible notes would be anti-dilutive, and therefore basic and diluted losses per share are the same in those periods.

Convertible Notes. Convertible notes are initially recorded at estimated fair value and subsequently measured at amortized cost. The fair value is allocated between the equity and debt component parts based on their respective fair values at the time of issuance and recorded net of transaction costs. The equity portion of the convertible notes is estimated using the residual value method. The fair value of the debt component is accreted to the face value of the convertible notes using the effective interest rate method over the contractual life of the convertible notes, with the resulting charge recorded as interest expense.

Investments. We determine the appropriate classification of investments in equity securities at acquisition and reevaluate such classifications at each reporting date. Investments in incorporated entities in which the Company has the ability to exercise significant influence over the investee are accounted for by the equity method.

Financial Instruments. Gains or losses on marketable securities are recorded in the statement of operations. If a decline in fair value of a security is determined to be other than temporary, an impairment loss is recognized. Cash and cash equivalents, deposits, advances and receivables are accounted for at cost which approximates fair value. Accounts payable, convertible notes, interest notes and contingent value rights are recorded at amortized cost. Amortized cost of accounts payable approximates fair value.

Note 2.

New Accounting Policies:

Adopted in the year

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. This update was effective for us January 1, 2018. The updated guidance resulted in a reclassification of $0.1 million of unrealized holding gains and losses related to investments in marketable equity securities from accumulated other comprehensive income to accumulated deficit in the Balance Sheet upon adoption. Changes in the value of the Company's marketable equity securities are now recorded as income (loss) instead of other comprehensive income (loss).

In January 2017, the FASB issued ASU 2017-01, Business Combinations. This update clarifies the definition of a business and adds guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows – Restricted Cash. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments. This update is intended to reduce the existing diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from contracts with customers. This standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This update was effective for us January 1, 2018 and did not have an impact on our financial statements.

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases. This update is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This update is effective for us commencing with the annual period beginning after December 15, 2018, including interim periods within that year. We do not expect the adoption of this standard will have a significant impact on our financial statements.

Note 3. Arbitral Award Settlement and Associated Mining Data Sale:

In October 2009 we initiated the Brisas Arbitration to obtain compensation for the losses caused by the actions of Venezuela that terminated our Brisas Project. On September 22, 2014, we were granted an Arbitral Award (the "Award") totaling $740.3 million. In July 2016, we signed the Settlement Agreement, subsequently amended, whereby Venezuela agreed to pay us $792 million to satisfy the Award (including interest) and $240 million for the purchase of our mining data related to the Brisas Project (the "Mining Data"). Pursuant to the Settlement Agreement, Venezuela agreed to make a payment of $40 million (the "Initial Payment") followed by 23 monthly payments of $29.5 million on or before the 15th day of each month starting in July 2017, with a final payment of approximately $313.3 million scheduled to be paid on or before June 15, 2019. The first $240 million received by Gold Reserve from Venezuela has been recognized as proceeds from the sale of the Mining Data.

As of the date of this report, Venezuela had made payments pursuant to the Settlement Agreement of approximately $254 million including $165.5 million transferred from a Trust Account for the benefit of the Company (See Note 4, Cash and Cash Equivalents) and $88.5 million in Venezuelan government bonds. In August 2018, the Company received Venezuelan government bonds, which were exempt from U.S. Sanctions pursuant to then-applicable General License 3 issued by the U.S. Treasury Department's Office of Foreign Asset Control ("OFAC"), with a market value, at the time of the agreement, of approximately $88.5 million as payment of the December 2017 and January and February 2018 monthly installments due under the Settlement Agreement. The bonds were subsequently sold for approximately $74.3 million and the Company realized a $14.2 million loss on the sale during the year ended December 31, 2018. The monthly payments pursuant to the Settlement Agreement from March 2018 through April 2019 totaling approximately $413 million, not including the balance in the Trust Account, remain unpaid.

We have Contingent Value Rights ("CVRs") outstanding that entitle the holders to an aggregate of 5.466% of proceeds associated with the collection of the Award, sale of Mining Data or an enterprise sale (the "Proceeds"), less amounts for certain specified obligations, as well as a bonus plan as described below. Due to U.S. and Canadian Sanctions (See Note 4, Cash and Cash Equivalents) and the uncertainty of transferring the cash held in the Trust Account to bank accounts outside of Venezuela, management only considers those funds received by the Company into its North American bank account as funds available for purposes of the CVR and Bonus Plan cash distributions. The cumulative amount distributed to CVR holders in 2018 totaled approximately $7.9 million.

We maintain a bonus plan (the "Bonus Plan") which is intended to compensate the participants, including executive officers, employees, directors and consultants for their past and present contributions to the Company. The bonus pool under the Bonus Plan, as originally structured, was comprised of the gross proceeds collected or the fair value of any consideration realized related to such transactions less applicable taxes multiplied by 1% of the first $200 million and 5% thereafter. In June 2018, the Board modified the Bonus Plan to increase the percentage participation of certain individuals who in the Board's opinion were not adequately recognized for their current contribution to efforts associated with the conclusion of the Settlement Agreement and the collection of the amounts contemplated thereunder. The effect of the Board's modification to the Bonus Plan was to increase the after tax percentage allocation for the first $200 million up to a maximum of 1.28% and the percentage allocation thereafter up to a maximum of 6.4%. The cumulative amount distributed to Bonus Plan participants in 2018 totaled approximately $3.3 million.

Following receipt, if any, of additional funds pursuant to the Settlement Agreement and after applicable payments to CVR holders and Bonus Plan participants, we expect to distribute to our shareholders a substantial majority of any remaining amounts, subject to applicable regulatory requirements and retaining sufficient reserves for operating expenses, contractual obligations, accounts payable and income taxes, and any obligations arising as a result of the collection of the Award and/or sale of the Mining Data. (See Note 12, Subsequent Event).

Note 4. Cash and Cash Equivalents:

	December 31, 2018	December 31, 2017
Bank deposits	$ 47,588,968	$ 39,649,888
Cash held in trust	-	88,500,000
Short term investments	100,057,385	9,522,830
Total	$ 147,646,353	$ 137,672,718

Short term investments include money market funds and US treasury bills which mature in three months or less.

Payments made by Venezuela associated with the Settlement Agreement (excluding the recent transfer of Venezuelan bonds) have generally been deposited into a trust account for the benefit of the Company at Banco de Desarrollo Económico y Social de Venezuela ("Bandes Bank") (the "Trust Account"), a Venezuelan state-owned development bank. Under the trust agreement, the Company has the right to transfer the funds to its bank account outside of Venezuela. With the designation of Bandes Bank as an SDN on March 22, 2019, the Company is treating the Trust Account as blocked property. The Trust Account and the funds therein will remain blocked property until the U.S. government delists Bandes Bank as an SDN or issues a specific license to the Company to unblock this property. Cash deposited to the Trust Account and marketable debt securities transferred, subsequent to the balance sheet date but prior to the date of issuance of the consolidated financial statements are recognized as receivables as they represent amounts due from the sale of the Mining Data or the Arbitration Award as of the balance sheet date, for which collectability is certain.

In August 2017, the U.S. government imposed financial sanctions (as defined herein "Sanctions") targeting Venezuela by issuing an Executive Order ("EO") that prohibits U.S. persons from dealing in financing of greater than 30 days for the Venezuelan government, including any entity owned or controlled by the Venezuelan government (with respect to certain subsidiaries of the state oil company, these restrictions prohibit financings of greater than 90 days). In addition, U.S. persons are prohibited from dealing in, among other things, bonds (unless otherwise exempt from U.S. Sanctions pursuant to General Licenses 3E or 9D issued by the Department of the Treasury's Office of Foreign Asset Control ("OFAC")) or equity issued by the Venezuelan government after the U.S. financial Sanctions were imposed in August 2017. Prior to January 2019, certain Venezuelan government bonds identified in General License 3 had been largely exempt from U.S. Sanctions.

U.S. financial sanctions have built on Sanctions imposed by the U.S. government starting in March 2015 that designated Venezuelan government officials as "Specially Designated Nationals" ("SDNs"), which prohibits them from traveling to the U.S., freezes any assets they may have in the U.S. and generally prohibits U.S. persons from doing business with them and any entity they own 50% or more. Since August 2017, the U.S. government has designated several additional individuals as SDNs and has prohibited U.S. persons from dealing in cryptocurrencies issued by the Venezuelan government. In September and November 2017, and again in May 21, 2018, Canada imposed its own Sanctions requiring asset freezes and imposing prohibitions on dealings with named Venezuelan officials. In May 2018, the U.S. government issued an EO that prohibits U.S. persons from engaging in transactions relating to: (i) the purchase of any debt owed to the Venezuelan government, including accounts receivable, (ii) any debt owed to the Venezuelan government that is pledged as collateral after May 2018, including accounts receivable, and (iii) the sale, transfer, assignment, or pledging as collateral by the Venezuelan government of any equity interest in any entity in which the Venezuelan government has a 50% or greater ownership interest.

In November 2018, the U.S. government issued an EO authorizing OFAC to designate as an SDN any person determined to: (i) "operate in the gold sector of the Venezuelan economy" or any other sector deemed sanctionable by the U.S. government, (ii) be responsible for transactions involving deceptive practices or corruption involving the Venezuelan government, or (iii) have supported deceptive or corrupt transactions or to be owned or controlled by a person meeting the foregoing criteria. OFAC issued guidance that it "expects to use its discretion to target in particular those who operate corruptly in the gold or other identified sectors of the Venezuela economy, and not those who are operating legitimately in such sectors."

In January 2019, the U.S. government designated the Venezuelan state oil company as an SDN under the November 2018 EO. U.S. persons are generally prohibited from doing business with the state oil company and its subsidiaries unless authorized by OFAC. In conjunction with that action, OFAC also changed existing general licenses, such as General License 3 mentioned above, and issued additional general licenses to authorize certain transactions involving certain subsidiaries of the state oil company.

In March 2019, pursuant to EO 13850, OFAC designated CVG Compania General de Minera de Venezuela CA and its president as SDNs in connection with the Venezuelan gold sector and also designated Bandes Bank as an SDN with the same effects as those described above with respect to the Venezuelan state oil company. In conjunction with that designation, OFAC issued several general licenses, although none that authorize the Company's dealings with Bandes Bank. Due to the deteriorating economic conditions in Venezuela and as a result of the Bandes Bank designation which blocked the Company's access to the funds held in the Trust Account at Bandes Bank, the Company has recorded an impairment loss on the balance in the Trust Account of approximately $21.5 million. The Trust Account and funds will remain blocked until OFAC delists Bandes Bank as an SDN or OFAC issues a specific license to the Company to unblock this property.

On April 15, 2019, the Government of Canada imposed Sanctions against 43 additional individuals under the Special Economic Measures (Venezuela) Regulations of the Special Economic Measures Act. The imposition of such additional Sanctions poses a significant impediment to the Company's ability to work with government officials related to the development of the Siembra Minera Project and those responsible for the payment and transfer of funds associated with the Settlement Agreement. To the extent required, the Company will apply for a license from OFAC to allow the Company to pursue payments under the Settlement Agreement and allow international financial institutions to facilitate such transactions without violating US Sanctions. The Company may also pursue similar relief from Sanctions imposed under Canadian law.

Note 5. Marketable Securities:

	December 31, 2018	December 31, 2017
Equity securities		
Fair value at beginning of year	$ 239,232	$ 541,216
Increase (decrease) in fair value	48,406	(301,984)
Fair value at balance sheet date	$ 287,638	$ 239,232
Debt securities		
Fair value at beginning of year	$ –	$ –
Acquisitions	88,500,000	–
Dispositions	(74,311,349)	–
Realized loss	(14,188,651)	–
Fair value at balance sheet date	$ –	$ –

Marketable securities are recorded at quoted market value with gains and losses recorded in the Consolidated Statements of Operations. Gains and losses on securities sold are based on the average cost of the shares held at the date of disposition. As of December 31, 2018 and 2017, marketable equity securities had a cost basis of $98,043. Marketable debt securities, which were sold during 2018, consisted of Venezuelan government bonds received under the Settlement Agreement (See Note 3, Arbitral Award Settlement and Associated Mining Data Sale).

Accounting Standards Codification ("ASC") 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities, Level 2 inputs are inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability and Level 3 inputs are unobservable inputs for the asset or liability that reflect the entity's own assumptions. The fair values of the Company's marketable equity securities as at the balance sheet date are based on Level 1 inputs.

Note 6. Property, Plant and Equipment:

	Cost	Accumulated Depreciation	Net
December 31, 2018			
Machinery and equipment	$ 11,677,534	$ –	$ 11,677,534
Furniture and office equipment	469,569	(333,828)	135,741
Transportation equipment	491,025	(34,622)	456,403
Leasehold improvements	51,658	(11,063)	40,595
Mineral property	350,000	–	350,000
	$ 13,039,786	$ (379,513)	$ 12,660,273

	Cost	Accumulated Depreciation	Net
December 31, 2017			
Machinery and equipment	$ 11,677,534	$ –	$ 11,677,534
Furniture and office equipment	587,126	(503,216)	83,910
Transportation equipment	489,560	–	489,560
Leasehold improvements	39,185	(7,655)	31,530
Mineral property	350,000	–	350,000
	$ 13,143,405	$ (510,871)	$ 12,632,534

Machinery and equipment consists of infrastructure and milling equipment intended for use on the Brisas Project. We continually evaluate our equipment to determine whether events or changes in circumstances have occurred that may indicate impairment has occurred. We review comparable market data for evidence that fair value less cost to sell is in excess of the carrying amount. We recorded impairment write-downs of property, plant and equipment of $14,000 and NIL during the years ended December 31, 2018 and 2017. During 2017, the Company purchased approximately $0.5 million of transportation equipment for use in the development of the Siembra Minera project.

Note 7. Empresa Mixta Ecosocialista Siembra Minera, S.A.:

In October 2016, together with an affiliate of the government of Venezuela, we established Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera"). The primary purpose of this entity is to develop the Siembra Minera Project.

Siembra Minera is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation, and 45% by Gold Reserve. Siembra Minera (pursuant to the agreement which governs the formation and operation of Siembra Minera) holds certain gold, copper, silver and other strategic mineral rights contained within Bolivar State comprising the Siembra Minera Project (which has a 20 year term with two 10 year extensions) and is, among other things authorized, via current or future Presidential Decrees and Ministerial resolutions, to carry on its business, pay a net smelter return royalty to Venezuela on the future sale of gold, copper, silver and any other strategic minerals over the life of the project and provide net profits participation based on the sales price of gold per ounce. A number of the authorizations, which still have not been provided by the current administration, are critical to the future operation and economics of the Siembra Minera Project and, as a result, management continues its efforts to secure them on behalf of Siembra Minera. Pursuant to the Settlement Agreement, both parties will retain their respective interest in Siembra Minera in the event all of the agreed upon settlement payments are not made by Venezuela.

On March 16, 2018, the Company announced the completion of a technical report for the Preliminary Economic Assessment ("PEA") for the Siembra Minera Project in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects which included, among other information, resource estimates, pit design, mine plan, flowsheet design, design criteria, project layout, infrastructure requirements, capital and operating estimates. The Company has directly incurred the costs on the Siembra Minera Project, which beginning in 2016 through December 31, 2018 amounted to a total of approximately $14.1 million. Additionally, the Company had prepaid $0.9 million for project related activities ongoing into 2019. The Siembra Minera Project expenditures primarily include costs associated with the completion of the PEA that included a number of engineering, environmental and social third party advisors as well as costs associated with a number of social works programs in the vicinity of the Siembra Minera Project, which are expensed as incurred and classified within “Siembra Minera Project Costs” in the Consolidated Statements of Operations.

On April 15, 2019, the Government of Canada imposed Sanctions against 43 additional individuals under the Special Economic Measures (Venezuela) Regulations of the Special Economic Measures Act. The imposition of such additional Sanctions poses a significant impediment to the Company’s ability to work with government officials related to the development of the Siembra Minera Project. (See Note 4, Cash and Cash equivalents for additional information regarding Sanctions).

Note 8.

KSOP Plan:

The KSOP Plan, adopted in 1990 for retirement benefits of employees, is comprised of two parts, (1) a salary reduction component, and a 401(k) which includes provisions for discretionary contributions by us, and (2) an employee share ownership component, or ESOP. Allocation of Class A common shares or cash to participants’ accounts, subject to certain limitations, is at the discretion of the Board. There have been no Class A common shares allocated to the KSOP Plan since 2011. Cash contributions for the KSOP Plan years 2018 and 2017 were approximately $212,000 and $234,000, respectively.

Note 9. Stock Based Compensation Plans:

Equity Incentive Plans

The Company’s equity incentive plan provides for the grant of stock options to purchase up to a maximum of 8,750,000 of the Class A common shares. As of December 31, 2018, there were 2,122,000 options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSXV and as may be determined by a committee of the Board established pursuant to the equity incentive plan.

Share option transactions for the years ended December 31, 2018 and 2017 are as follows:

	2018		2017	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding - beginning of period	5,091,565	$ 3.13	3,357,000	$ 2.84
Options granted	-	-	5,277,500	3.15
Options exercised	-	-	(2,073,435)	2.88
Options expired	(537,000)	3.32	(1,469,500)	2.89
Options outstanding - end of period	4,554,565	$ 3.11	5,091,565	$ 3.13
Options exercisable - end of period	4,092,068	$ 3.10	4,004,067	$ 3.13

The following table relates to stock options at December 31, 2018:

	Outstanding Options					Exercisable Options			
Exercise Price	Number	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)	Number	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
$ 1.92	444,922	$ 1.92	$ 62,289	2.44	444,922	$ 1.92	$ 62,289	2.44
$ 2.69	125,000	$ 2.69	-	8.33	125,000	$ 2.69	-	8.33
$ 3.15	3,494,643	$ 3.15	-	8.13	3,032,146	$ 3.15	-	8.13
$ 3.91	180,000	$ 3.91	-	6.49	180,000	$ 3.91	-	6.49
$ 4.02	310,000	$ 4.02	-	5.57	310,000	$ 4.02	-	5.57
$ 1.92 - $4.02	4,554,565	$ 3.11	$ 62,289	7.34	4,092,068	$ 3.10	$ 62,289	7.25

During the years ended December 31, 2018 and 2017, the Company granted NIL and 5.3 million stock options, respectively. In 2017, approximately 2.1 million outstanding options were exercised for net proceeds to the Company of approximately $6.0 million. The Company recorded non-cash compensation expense during 2018 and 2017 of $0.3 million and $5.1 million, respectively for stock options granted in 2017 and prior periods.

The weighted average fair value of the options granted in 2017 was calculated as $1.04. The fair value of options granted was determined using the Black-Scholes model based on the following weighted average assumptions:

	2017
Risk free interest rate	1.22 %
Expected term	2.0 years
Expected volatility	59 %
Dividend yield	nil

The risk free interest rate is based on the US Treasury rate on the date of grant for a period equal to the expected term of the option. The expected term is based on historical exercise experience and projected post-vesting behavior. The expected volatility is based on historical volatility of our common stock over a period equal to the expected term of the option.

Retention Plan and Change of Control Agreements

The Company maintains the Gold Reserve Director and Employee Retention Plan. Each unit (a "Retention Unit") granted to a participant entitles such person to receive a cash payment equal to the fair market value of one Gold Reserve Class A common share on the date the Retention Unit is granted or on the date any such participant becomes entitled to payment, whichever is greater. Units previously granted under the plan became fully vested upon the collection of proceeds from sale of the Mining Data and the Board of Director's agreement to distribute a substantial majority of the remaining proceeds to our shareholders. In June 2017, as a result of the collection of proceeds related to the sale of the Mining Data, the Retention Units vested and in the third quarter of 2017 the Company paid $7.7 million to plan participants. As of December 31, 2018 there were no Retention Units outstanding.

The Company also maintains change of control agreements with certain officers and employees. A Change of Control is generally defined as one or more of the following: the acquisition by any individual, entity or group, of beneficial ownership of the Company of 25 percent of the voting power of the outstanding Common Shares; a change in the composition of the Board that causes less than a majority of the current directors of the Board to be members of the incoming board; reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company; liquidation or dissolution of the Company; or any other event the Board reasonably determines constitutes a Change of Control. As of December 31, 2018, in the event of a change of control, the amount payable under these agreements was approximately $9.0 million. None of this amount has currently been recognized as a change of control is not considered probable at this time.

Note 10. Convertible Notes and Interest Notes:

In the third quarter of 2017, the Company settled all of its outstanding 11% Senior Secured Convertible Notes and Interest Notes due December 31, 2018 (the "2018 Notes"). Prior to settlement, the Company had a total of $59.1 million face value of 2018 Notes outstanding. Of these notes, $36.3 million were redeemed for cash and the Company paid an additional $6.4 million related to a 20% premium due on the redeemed notes and $0.2 million in interest to the redemption date. The remaining $22.8 million 2018 Notes were converted to approximately 7.6 million Class A common shares. As a result of the redemption or conversion of 2018 Notes, the Company recorded a $16.6 million loss on settlement of debt consisting of the $6.4 million premium paid and approximately $10.2 million of remaining unamortized discount. In October 2017, the Company redeemed for cash its remaining debt, which consisted of approximately $1.0 million face value of 5.5% Senior Subordinated Convertible Notes due June 15, 2022 (the "2022 Convertible Notes").

Note 11. Income Tax:

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act") which made broad and complex changes to the U.S. tax code. The Tax Act established new tax laws including, but not limited to, a reduction of the U.S. federal corporate tax rate from 35% to 21% beginning in 2018. As a result of the reduction of the rate, we revalued our net deferred tax liability as of December 31, 2017.

Income tax expense (benefit) for the years ended December 31, 2018 and 2017 differs from the amount that would result from applying Canadian tax rates to net income before taxes. These differences result from the items noted below:

	2018		2017	
	Amount	%	Amount	%
Income tax expense based on Canadian tax rates	$ 8,016,735	25	$ 31,146,013	25
Increase (decrease) due to:				
Different tax rates on foreign subsidiaries	(570,196)	(2)	16,872,781	14
Non-deductible expenses	1,016,377	3	3,581,209	3
Withholding tax	5,983,324	19	2,000,265	1
Worthless stock write-off	(12,712,678)	(40)	-	-
Previously unrecognized tax benefits	(13,197,148)	(41)	-	-
Change in valuation allowance and other	1,493,469	5	(18,527,094)	(15)
	$ (9,970,117)	(31)	$ 35,073,174	27

The Company recorded income tax expense (benefit) of ($10.0) million and $35.1 million for the years ended December 31, 2018 and 2017, respectively. The income tax recovery for the year ended December 31, 2018 is a result of the deduction of capitalized costs incurred in the development of the Mining Data, the recognition of previously unrecognized Canadian tax losses, and the write-off of investments in subsidiaries that were dissolved during 2018. The tax benefit of the capitalized costs had not been recognized prior to the third quarter of 2018 when Venezuela completed all of the payments due under the agreement for sale of the Mining Data. We have recorded a valuation allowance to reflect the estimated amount of the deferred tax assets which may not be realized, principally due to the uncertainty of utilization of net operating losses and other carry forwards prior to expiration. The valuation allowance for deferred tax assets may be reduced in the near term if our estimate of future taxable income changes. The components of the Canadian and U.S. deferred income tax assets and liabilities as of December 31, 2018 and 2017 were as follows:

	December 31,	
	2018	2017
Deferred income tax assets		
Net operating loss carry forwards	$ 31,362,816	$ 35,964,366
Property, Plant and Equipment	3,226,994	3,227,745
Other	1,652,114	1,682,594
	36,241,924	40,874,705
Valuation allowance	(36,202,109)	(40,662,538)
	$ 39,815	$ 212,167
Deferred income tax liabilities		
Cash held in trust	-	(18,585,000)
Other	(39,815)	(29,650)
Net deferred income tax liability	$ -	$ (18,402,483)

At December 31, 2018, we had the following Canadian tax loss carry forwards. Amounts are in U.S. dollars.

	Expires
$ 1,915,370	2026
3,554,678	2027
13,548,810	2028
12,840,308	2029
15,863,487	2030
17,763,432	2031
5,153,925	2032
7,492,746	2033
8,681,482	2034
12,392,175	2035
14,732,993	2036
11,110,698	2037
401,160	2038
$ 125,451,264	

Note 12. Subsequent Event:

On March 27, 2019, the Company announced that the Board had approved the distribution of between approximately $90 million and $100 million in the aggregate, to holders of Class A Shares as a return of capital. On April 16, 2019, following the Government of Canada's decision on April 15, 2019 to impose sanctions against 43 additional individuals under the Special Economic Measures (Venezuela) Regulations of the Special Economic Measures Act, the Board determined that it was in the best interests of the Company and its Shareholders to reduce the aggregate amount of capital to be returned to Shareholders pursuant to the Return of Capital transaction to approximately US$75 million, or approximately US$0.76 per Class A Share.

The Return of Capital Transaction is intended to occur on a tax-efficient basis for income tax purposes. The Return of Capital Transaction is to be completed pursuant to a court-approved plan of arrangement transaction under the Business Corporations Act (Alberta) and requires approval by the Alberta Court of Queen's Bench (the "Court") and at least two-thirds of the votes cast by Shareholders in respect of a special resolution.

Officers and Directors

James H. Coleman
Executive Chairman and Director

Rockne J. Timm
Chief Executive Officer and Director

A. Douglas Belanger
President and Director

Robert A. McGuinness
Vice President of Finance and CFO

James P. Geyer
Director

Jean Charles (JC) Potvin
Director

Robert A. Cohen
Director

James Michael Johnston
Director

Annual Meeting

The 2019 Annual Meeting will be held at 9:30 a.m. on June 13, 2019

999 W. Riverside Avenue
7th Floor Masthead Suite
Spokane, Washington USA

Share Information

Number of Shareholders
Approximately 8,000

Common Shares Issued April 30, 2018

Class A common– 99,395,048

Purchase Options– 4,554,565

Securities Listings

Canada– The TSX Venture Exchange:
GRZ.V

United States– OTCQX:
GDRZF

Transfer Agent

Computershare Trust Company, Inc.

Toronto, Ontario Canada
Highlands Ranch, CO USA

Registered Agent

Norton Rose Fulbright Canada LLC
Calgary, Alberta Canada

Office

Corporate
999 W. Riverside Avenue,
Suite 401
Spokane, WA 99201
Ph: (509) 623-1500
Fx: (509) 623-1634

Bankers

Bank of America
Spokane, Washington USA

Bank of Montreal
Vancouver, BC Canada

Bank of China
Toronto, ON Canada

Canaccord Genuity
Toronto, ON Canada

TD Commercial Bank
Calgary, AB Canada

Auditors

PricewaterhouseCoopers LLP
Vancouver, BC Canada

Counsel

Norton Rose Fulbright
Toronto, Ontario Canada

Baker & McKenzie LLP
Houston, Texas USA

McCarthy Tétrault LLP
Toronto, Ontario Canada


GOLD RESERVE

EXHIBIT 99.5

This Letter of Transmittal is important and requires your immediate attention. This Letter of Transmittal must be validly completed, duly signed and returned to the Depositary. It is important that you validly complete, duly sign and return this Letter of Transmittal on a timely basis in accordance with the instructions contained herein.

Shareholders whose Class A Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for instructions and assistance in delivering those Class A Shares.

If you need assistance in completing this Letter of Transmittal, please contact the Depositary toll-free at 1-800-564-6253 or by email at corporateactions@computershare.com or contact your professional advisor.

LETTER OF TRANSMITTAL

FOR CLASS A COMMON SHARES
OF
GOLD RESERVE INC.

This Letter of Transmittal is for use by registered holders ("**Shareholders**") of Class A common shares ("**Class A Shares**") of Gold Reserve Inc. (the "**Company**") in connection with the proposed plan of arrangement (the "**Arrangement**") pursuant to section 193 of the *Business Corporations Act* (Alberta) that is being submitted for approval at the annual general and special meeting of shareholders of the Company to be held on June 13, 2019 (the "**Meeting**") as described in a management information circular dated April 30, 2019 (the "**Circular**").

If the Arrangement becomes effective, each Shareholder will receive a distribution from the Company comprised of $0.76 and one Class A Share for each Class A Share held. Copies of the Arrangement, the Circular and this Letter of Transmittal are available on SEDAR at www.sedar.com under the Company's profile. You are encouraged to carefully review the Circular in its entirety before completing this Letter of Transmittal. Capitalized terms used but not defined in this Letter of Transmittal have the meanings set out in the Circular.

The Company and Computershare Trust Company of Canada (the "**Depositary**") shall be entitled to deduct and withhold from any payment, dividend, distribution or consideration otherwise payable to any Shareholder such amounts as the Company or the Depositary is required to deduct and withhold with respect to such payment under applicable laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

The obligation of the Company to complete the Arrangement is subject to the satisfaction or waiver of certain conditions set out in the Arrangement. These conditions include, among others, approval of the Special Resolution by at least two-thirds of the votes cast by shareholders present in person or represented by proxy at the Meeting and approval of the Alberta Court of Queen's Bench. There is no certainty that all conditions will be satisfied or that the Arrangement will become effective.

This Letter of Transmittal must accompany certificates for Class A Shares that are deposited pursuant to the Arrangement, together with any other additional documents or instruments as the Depositary may reasonably require.

No payment of any consideration will be made prior to completion of the Arrangement.

THE DEPOSITARY OR YOUR BROKER OR OTHER FINANCIAL ADVISOR WILL BE ABLE TO ASSIST YOU IN COMPLETING THIS LETTER OF TRANSMITTAL. PLEASE SEE BELOW FOR THE ADDRESS AND TELEPHONE NUMBER OF THE DEPOSITARY. IF YOUR CLASS A SHARES ARE HELD WITH A BROKER, INVESTMENT DEALER, BANK, TRUST COMPANY OR OTHER NOMINEE, YOU SHOULD IMMEDIATELY CONTACT SUCH INTERMEDIARY AND FOLLOW ANY INSTRUCTIONS TO BE PROVIDED BY THE INTERMEDIARY.

The Company currently expects the Effective Date to occur on or about June 13, 2019. Under no circumstances will interest accrue or be paid by the Company or the Depositary on the consideration for the Class A Shares to Shareholders depositing the Class A Shares with the Depositary, regardless of any delay in making any deposit or payment for the Class A Shares.

If the Special Resolution is passed and the Arrangement becomes effective, in order to receive the consideration for

your Class A Shares as provided under the Arrangement, you must properly complete and sign this Letter of Transmittal and deliver it, together with certificates representing your Class A Shares and any other additional documents and instruments as the Depositary may reasonably require. Additional copies of the Letter of Transmittal can be obtained by contacting the Depositary at the telephone numbers, email or addresses shown on the back page of this Letter of Transmittal.

PLEASE CAREFULLY READ THE CIRCULAR AND THE INSTRUCTIONS SET OUT BELOW BEFORE COMPLETING THIS LETTER OF TRANSMITTAL.

CERTIFICATES REPRESENTING CLASS A SHARES THAT ARE NOT FORWARDED TO THE DEPOSITARY TOGETHER WITH A PROPERLY COMPLETED AND SIGNED LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTATION ON OR BEFORE THE SIXTH ANNIVERSARY OF THE EFFECTIVE DATE OF THE ARRANGEMENT WILL CEASE TO REPRESENT A CLAIM BY OR INTEREST OF ANY SHAREHOLDER OF ANY KIND OR NATURE AGAINST OR IN THE COMPANY. ON THE SIXTH ANNIVERSARY OF THE EFFECTIVE DATE, ANY UNCLAIMED PORTION OF THE AGGREGATE CASH DISTRIBUTION AMOUNT SHALL BE DEEMED TO HAVE BEEN SURRENDERED TO THE COMPANY.

Please note that the delivery of this Letter of Transmittal does NOT constitute a vote FOR the Special Resolution or any other matters to be considered at the Meeting. To exercise your right to vote at the Meeting, you must attend the Meeting in person or complete and return the form of proxy that accompanied the Circular to the Company's transfer agent, Computershare Investor Services Proxy Services, P.O. Box 505008, Louisville, KY 40233, no later than 9:30 a.m. (Pacific daylight time) on June 11, 2019.

TO: GOLD RESERVE INC.
AND TO: COMPUTERSHARE TRUST COMPANY OF CANADA at its offices set out herein

In connection with the Arrangement being considered for approval at the Meeting, the undersigned delivers to you the enclosed certificate(s) for Class A Shares. The following are the details of the enclosed certificate(s):

Certificate Number(s)	Name in Which Registered	Number of Class A Shares Deposited

The undersigned transmits herewith the certificate(s) described above for exchange and cancellation upon the Arrangement becoming effective. The undersigned acknowledges receipt of the Circular and represents and warrants that the undersigned has good and sufficient authority to deposit and transfer the Class A Shares represented by the enclosed certificate(s) (the "**Deposited Shares**") and at the Effective Time, the Company will acquire all of the right, title and interest of the undersigned in and to the Deposited Shares which will be free from all liens, charges, encumbrances, claims and equities.

The undersigned irrevocably constitutes and appoints each of Rockne J. Timm and Robert A. McGuinness, each of whom is an officer of the Company, and any other person designated by the Company in writing, the true and lawful agent, attorney and attorney-in-fact of the undersigned with respect to the Deposited Shares deposited in connection with the Arrangement with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable) to, in the name of and on behalf of the undersigned, (a) register or record the transfer of such Deposited Shares consisting of securities on the registers of the Company; and (b) execute and negotiate any cheques or other instruments representing any such distribution payable to or to the order of the undersigned.

The undersigned revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the undersigned at any time with respect to the Deposited Shares other than as set out in this Letter of Transmittal and in any proxy granted for use at the Meeting. Other than in connection with the Meeting, no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, will be granted with respect to the Deposited Shares by or on behalf of the undersigned, unless the Deposited Shares are not exchanged and cancelled in connection with the Arrangement.

The undersigned covenants and agrees to execute all such documents, transfers and other assurances as may be necessary or desirable to convey the Deposited Shares effectively to the Company.

Each authority conferred or agreed to be conferred by the undersigned in this Letter of Transmittal may be exercised during any subsequent legal incapacity of the undersigned and all obligations of the undersigned in this Letter of Transmittal shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

The undersigned instructs the Company and the Depositary, upon the Arrangement becoming effective, to mail the cheques by first class mail, postage prepaid, to hold such cheques for pick-up or to wire the funds payable to the undersigned, in accordance with the instructions given below. Should the Arrangement not proceed for any reason, the deposited certificates and other relevant documents shall be returned in accordance with the applicable instructions in the preceding sentence.

The undersigned authorizes and directs the Depositary to issue a Direct Registration ("**DRS**") advice for the Company to which the undersigned is entitled as indicated below and to mail such advice to the address indicated below or, if no instructions are given, in the name and to the address if any, of the undersigned as appears on the share register maintained by the Company. In the event that a DRS advice is not available, a share certificate will be issued and mailed to the address indicated below.

The Aggregate Cash Distribution Amount will be denominated in U.S. dollars. The Depositary's currency exchange services will be used to convert the portion of the Aggregate Cash Distribution Amount that each registered Shareholder

is entitled to receive based on the address of record of such Shareholder. Each registered Shareholder with an address within the U.S. or any other country outside of Canada will receive payment in U.S. dollars. Each registered Shareholder with an address in Canada will receive payment in Canadian dollars. There is no additional fee payable by registered Shareholders in relation to such conversions of payments.

The exchange rates that will be used to convert payments from U.S. dollars into Canadian dollars will be the rates established by Computershare Trust Company of Canada, in its capacity as the foreign exchange service provider, on the date that the funds are converted, which rates will be based on the prevailing market rates on such date. The risk of any fluctuations in exchange rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned shall be deemed to have required that any contract evidenced by the Arrangement as accepted through this Letter of Transmittal, as well as all documents related thereto, be drawn exclusively in the English language. En raison de l'usage d'une lettre d'envoi en langue anglaise par le soussigné, le soussigné et les destinataires sont présumés d'avoir requis que tout contrat attesté par l'arrangement et son acceptation par cette lettre d'envoi, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en langue anglaise.

BOX A
ENTITLEMENT DELIVERY

All cash and share entitlement payments will be issued and mailed to your existing registration unless otherwise stated. If you would like your cash or shares issued to a different name or address, please

complete BOX B and refer to INSTRUCTIONS 2 & 3

q MAIL CHEQUE/SHARES TO ADDRESS ON RECORD **(DEFAULT)**

q MAIL CHEQUE/SHARES TO A DIFFERENT ADDRESS (MUST COMPLETE BOX B)

q HOLD CHEQUE AND/OR SHARES FOR PICKUP AT COMPUTERSHARE OFFICE (CHECK LOCATION)

¡**TORONTO** ¡ **MONTREAL** ¡ **VANCOUVER** ¡**CALGARY**

SEE INSTRUCTION SECTION 9 FOR OFFICE ADDRESSES

q DELIVER FUNDS VIA WIRE* (COMPLETE BOX E)

BOX B
ISSUE PAYMENT IN THE NAME OF:*

q**CHECKBOX IF SAME AS EXISTING REGISTRATION (DEFAULT)**

(NAME)

(STREET NUMBER & NAME)

(CITY AND PROVINCE/STATE)

(COUNTRY AND POSTAL/ZIP CODE)

(TELEPHONE NUMBER (BUSINESS HOURS))

(SOCIAL INSURANCE/SECURITY NUMBER)

*** IF THIS NAME OR ADDRESS IS DIFFERENT FROM YOUR REGISTRATION, PLEASE PROVIDE SUPPORTING TRANSFER REQUIREMENTS (SEE INSTRUCTION SECTION 2 & 3)**

BOX C
RESIDENCY DECLARATION

ALL SHAREHOLDERS ARE REQUIRED TO COMPLETE A RESIDENCY DECLARATION. FAILURE TO COMPLETE A RESIDENCY DECLARATION MAY RESULT IN A DELAY IN YOUR PAYMENT.

The undersigned represents that:

q The beneficial owner of the Class A Shares deposited herewith **is** a U.S. Shareholder.

q The beneficial owner of the Class A Shares deposited herewith **is not** a U.S. Shareholder.

A "**U.S. Shareholder**" is any Shareholder who is either (i) providing an address in Box "A" that is located within the United States or any territory or possession thereof, or (ii) a "U.S. person" for the United States federal income tax purposes as defined in Instruction 7 below. If you are a U.S person or acting on behalf of a U.S. person, then in order to avoid backup withholding of U.S federal income tax you must provide a complete IRS Form W-9 (enclosed) below or otherwise provide certification that the U.S. person is exempt from backup withholding, as provided in the instructions (see Part VIII). If you are not a U.S. Shareholder as defined in (ii) above, but you provide an address that is located within the United States, you must complete an appropriate Form W-8.

BOX D

*WIRE PAYMENT**

***PLEASE NOTE THAT THERE IS A $100 BANKING FEE ON WIRE PAYMENTS. ALTERNATIVELY, CHEQUE PAYMENTS ARE ISSUED AT NO ADDITIONAL COST**

***IF WIRE DETAILS ARE INCORRECT OR INCOMPLETE, COMPUTERSHARE WILL ATTEMPT TO CONTACT YOU AND CORRECT THE ISSUE. HOWEVER, IF WE CANNOT CORRECT THE ISSUE PROMPTLY, A CHEQUE WILL BE AUTOMATICALLY ISSUED AND MAILED TO THE ADDRESS ON RECORD. NO FEES WILL BE CHARGED**

Please provide email address and phone number in the event that we need to contact you for corrective measures:

EMAIL ADDRESS: _____ PHONE NUMBER: _____

Beneficiary Name(s) that appears on the account at your financial institution – **this MUST be the same name and address that your shares are registered to

**Beneficiary Address

**City

**Province/State

**Postal Code/Zip Code

**Beneficiary Bank/Financial Institution

**Bank Address

**City

**Province/State

**Postal Code/Zip Code

PLEASE ONLY COMPLETE THE APPLICABLE BOXES BELOW, AS PROVIDED BY YOUR FINANCIAL INSTITUTION. YOU ARE NOT REQUIRED TO COMPLETE ALL BOXES

**Bank Account Number	Transit/Routing Number	SWIFT Code	ABA (US)

IBAN Number (Europe)

Sort Code (GBP)

BSB Number

BIC Number

Additional Notes and special routing instructions:

****** **Mandatory fields**

BOX E

LOST CERTIFICATES

If your lost certificate(s) forms part of an estate or trust, or are valued at more than CAD $200,000.00, please contact Computershare for additional instructions. Any person who, knowingly and with intent to defraud any insurance company or other person, files a statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

Premium Calculation:

1 X CAD $0.1026 = Premium Payable $ _____ NOTE: Payment **NOT** required if premium is less than $5.00

The option to replace your certificate by completing this Box F will expire on November 9, 2019. After this date, Shareholders must contact Computershare for alternative replacement options. I enclose my certified cheque, bank draft or money order payable to Computershare Trust Company of Canada.

STATEMENT OF LOST CERTIFICATES:

The undersigned (solitarily, jointly and severally, if more than one) represents and agrees to the following: (i) the undersigned is (and, if applicable, the registered owner of the Original(s), at the time of their death, was the lawful and unconditional owner of the Original(s) and is entitled to the full and exclusive possession thereof; (ii) the missing certificate(s) representing the Original(s) have been lost, stolen or destroyed, and have not been endorsed, cashed, negotiated, transferred, assigned, pledged, hypothecated, encumbered in any way, or otherwise disposed of; (iii) a diligent search for the certificate(s) has been made and they have not been found; and (iv) the undersigned makes this Statement for the purpose of transferring or exchanging the Original(s) (including, if applicable, without probate or letters of administration or certification of estate trustee(s) or similar documentation having been granted by any court), and hereby agrees to surrender the certificate(s) representing the Original(s) for cancellation should the undersigned, at any time, find the certificate(s).

The undersigned hereby agrees, for myself and my heirs, assigns and personal representatives, in consideration of the transfer or exchange of the Original(s), to completely indemnify, protect and hold harmless Gold Reserve Inc., Computershare Trust Company of Canada, Aviva Insurance Company of Canada, each of their lawful successors and assigns, and any other party to the transaction (the "Obligees"), from and against all losses, costs and damages, including court costs and attorneys' fees that they may be subject to or liable for in respect of the cancellation and/or replacement of the Original(s) and/or the certificate(s) representing the Original(s) and/ or the transfer or exchange of the Originals represented thereby, upon the transfer, exchange or issue of the Originals and/or a cheque for any cash payment. The rights accruing to the Obligees under the preceding sentence shall not be limited by the negligence, inadvertence, accident, oversight or breach of any duty or obligations on the part of the Obligees or their respective officers, employees and agents or their failure to inquire into, contest, or litigate any claim, whenever such negligence, inadvertence, accident, oversight, breach or failure may occur or have occurred. I acknowledge that a fee of CAD $0.1026 per Class A Share is payable by the undersigned. Surety protection for the Obligees is provided under Blanket Lost Original Instruments/Waiver of Probate or Administration Bond No. 35900-16 issued by Aviva Insurance Company of Canada.

SHAREHOLDER SIGNATURE(S)

Signature guaranteed by
(if required under Instruction 3)

Dated: , 2019

Signature of Shareholder or authorized representative
(see Instructions 2 and 4)

Authorized Signature

Address

Name of Guarantor (please print or type)

Name of Shareholder (please print or type)

Address of Guarantor (please print or type)

Telephone No

Name of authorized representative, if applicable
(please print or type)

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type. See **Specific Instructions** on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member L..C that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ►

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

☐☐☐ – ☐☐ – ☐☐☐☐

or

Employer identification number

☐☐ – ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** ► **Date** ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting,* later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the instructions for Part II for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code,* later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships,* earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code,* later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/Businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financia accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint*. You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities. states. the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

INSTRUCTIONS

1. Use of Letter of Transmittal

The method used to deliver this Letter of Transmittal and any accompanying certificates representing Class A Shares is at the option and risk of the Shareholder, and delivery will be deemed effective only when such documents are actually received by the Depositary. The Company recommends that the necessary documentation be hand delivered to the Depositary at its office(s) specified on the last page of this Letter of Transmittal, and a receipt obtained; otherwise the use of registered mail with return receipt requested, properly insured, is recommended. A Shareholder whose Class A Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in depositing those Class A Shares.

2. Signatures

This Letter of Transmittal must be filled in and signed by the Shareholder described above or by such Shareholder's duly authorized representative (in accordance with Instruction 4).

(a) If this Letter of Transmittal is signed by the registered owner(s) of the accompanying certificate(s), such signature(s) on this Letter of Transmittal must correspond with the names(s) as registered or as written on the face of such certificate(s) without any change whatsoever, and the certificate(s) need not be endorsed. If such deposited certificate(s) are owned of record by two or more joint owners, each such owner must sign the Letter of Transmittal.

(b) If this Letter of Transmittal is signed by a person other than the registered owner(s) of the accompanying certificate(s):

(i) such deposited certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s); and

(ii) the signature(s) on such endorsement or share transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be guaranteed as noted in Instruction 3 below.

3. Guarantee of Signatures

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Deposited Shares, or if Class A Shares not exchanged and cancelled by the Company are to be returned to a person other than such registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the registers of the Company, or if the payment is to be issued in the name of a person other than the registered owner of the Deposited Shares, such signature must be guaranteed by an Eligible Institution (as defined below), or in some other manner satisfactory to the Depositary (except that no guarantee is required if the signature is that of an Eligible Institution).

An "Eligible Institution" means a Canadian Schedule I chartered bank, a major trust company in Canada, a commercial bank or trust company in the United States, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada and the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States.

4. Fiduciaries, Representatives and Authorizations

Where this Letter of Transmittal is executed by a person on behalf of an executor, administrator, trustee, guardian, corporation, partnership or association or is executed by any other person acting in a representative capacity, this Letter of Transmittal must be accompanied by satisfactory evidence of the authority to act. Either the Company or the Depositary, at its discretion, may require additional evidence of authority or additional documentation.

5. Miscellaneous

(a) If the space on this Letter of Transmittal is insufficient to list all certificates for Deposited Shares, additional certificate numbers and number of Deposited Shares may be included on a separate signed list affixed to this Letter of Transmittal.

(b) If Deposited Shares are registered in different forms (e.g. “John Doe” and “J. Doe”) a separate Letter of Transmittal should be signed for each different registration.

(c) No alternative, conditional or contingent deposits will be accepted.

(d) The Arrangement and any agreement in connection with the Arrangement will be construed in accordance with and governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

(e) Additional copies of the Circular and this Letter of Transmittal may be obtained from the Depositary at any of its respective offices at the addresses listed below.

6. Lost Certificates

Option #1: If a share certificate has been lost, stolen or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded together with a letter describing the loss to the Depositary. The Depositary will respond with the replacement requirements.

Option #2: Alternatively, Shareholders who have lost, stolen, or destroyed their certificate(s) may participate in Computershare’s blanket bond program with Aviva Insurance Company of Canada by completing Box E above, and submitting the applicable certified cheque or money order made payable to Computershare Trust Company of Canada.

7. Currency

The Aggregate Cash Distribution Amount will be denominated in U.S. dollars. The Depositary’s currency exchange services will be used to convert the portion of the Aggregate Cash Distribution Amount that each registered Shareholder is entitled to receive based on the address of record of such Shareholder. Each registered Shareholder with an address within the U.S. or any other country outside of Canada will receive payment in U.S. dollars. Each registered Shareholder with an address in Canada will receive payment in Canadian dollars. There is no additional fee payable by registered Shareholders in relation to such conversions of payments.

The exchange rates that will be used to convert payments from U.S. dollars into Canadian dollars will be the rates established by Computershare Trust Company of Canada, in its capacity as the foreign exchange service provider, on the date that the funds are converted, which rates will be based on the prevailing market rates on such date. The risk of any fluctuations in exchange rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the registered Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

Non-registered Shareholders should contact their intermediary in connection with the currency of payment.

8. Substitute Form W-9 — U.S. Shareholders

In order to avoid “backup withholding” of United States income tax on payments made on the Class A Shares, a Shareholder that is a U.S. holder (as defined below) must generally provide the person’s correct taxpayer identification number (“**TIN**”) on the Substitute Form W-9 above and certify, under penalties of perjury, that such number is correct, that such Shareholder is not subject to backup withholding, and that such Shareholder is a U.S. person (including a U.S. resident alien). If the correct TIN is not provided or if any other information is not correctly provided, payments made with respect to the Class A Shares may be subject to backup withholding of 24%. For the purposes of this Letter of Transmittal, a “U.S. holder” or “U.S. person” means: a beneficial owner of Class A Shares that, for United States federal income tax purposes, is (a) a citizen or resident of the United States, (b) a corporation, or other entity classified as a corporation for United States federal income tax purposes, that is created or organized in or under the laws of the United States or any state in the United States, including the District of Columbia, (c) an estate if the income of such estate is subject to United States federal income tax regardless of the source of such income, (d) a trust if (i) such trust has validly elected to be treated as a U.S. person for United States federal income tax purposes or (ii) a United States court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust, or (e) a partnership, limited liability company or other entity classified as a partnership for United States tax purposes that is created or organized in or under the laws of the United States or any state in the United States, including the District of Columbia.

Backup withholding is not an additional United States income tax. Rather, the United States income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in

an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the IRS.

Certain persons (including, among others, corporations, certain “not-for-profit” organizations, and certain non-U.S. persons) are not subject to backup withholding. A Shareholder that is a U.S. holder should consult his or her tax advisor as to the Shareholder’s qualification for an exemption from backup withholding and the procedure for obtaining such exemption.

The TIN for an individual United States citizen or resident is the individual’s social security number.

The “Awaiting TIN” box of the substitute Form W-9 may be checked if a Shareholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the “Awaiting TIN” box is checked, the Shareholder that is a U.S. holder must also complete the Certificate of Awaiting Taxpayer Identification Number found below the Substitute Form W-9 in order to avoid backup withholding. If a Shareholder that is a U.S. holder completes the Certificate of Awaiting Taxpayer Identification Number but does not provide a TIN within 60 days, such Shareholder will be subject to backup withholding at a rate of 24% until a TIN is provided.

Failure to furnish TIN — If you fail to furnish your correct TIN, you are subject to a penalty of U.S. $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Non-U.S. holders receiving payments in the U.S. should return a completed Form W-8BEN, a copy of which is available from the Depositary upon request.

9. Privacy Notice

Computershare is committed to protecting your personal information. In the course of providing services to you and our corporate clients, we receive non-public personal information about you from transactions we perform for you, forms you send us, other communications we have with you or your representatives, etc. This information could include your name, contact details (such as residential address, correspondence address, email address), social insurance number, survey responses, securities holdings and other financial information. We use this to administer your account, to better serve your and our clients’ needs and for other lawful purposes relating to our services. Computershare may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides. Where we share your personal information with other companies to provide services to you, we ensure they have adequate safeguards to protect your personal information. We also ensure the protection of rights of data subjects under the General Data Protection Regulation, where applicable. We have prepared a Privacy Code to tell you more about our information practices, how your privacy is protected and how to contact our Chief Privacy Officer. It is available at our website, www.computershare.com, or by writing to us at 100 University Avenue, Toronto, Ontario, M5J 2Y1. Computershare will use the information you are providing in order to process your request and will treat your signature(s) as your consent to us so doing.

10. Payment Entitlement Pickup Locations

Entitlements may be picked up at applicable Computershare office locations with Counter services. Pick-up instructions must be selected in Box A. Below are the applicable Computershare office locations:

Montreal	**Toronto**	**Calgary**	**Vancouver**
1500 Boulevard Robert-Bourassa, 7th Floor Montréal, QC H3A 3S8	100 University Ave 8th Floor, North Tower Toronto ON M5J 2Y1	530 8 Ave SW, 6 th Floor Calgary, AB T2P 3S8	510 Burrard Street, 2nd Floor, Vancouver, BC V6C 3A8

The Depositary is:

COMPUTERSHARE TRUST COMPANY OF CANADA

By Hand or by Courier

100 University Avenue, 8th Floor, North Tower Toronto, Ontario

M5J 2Y1

By Mail

P.O. Box 7021
31 Adelaide St E

Toronto, ON M5C 3H2

Attention: Corporate Actions

Toll Free: 1-800-564-6253

E-Mail: corporateactions@computershare.com