

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 2016

Commission File Number: 001-31819

Gold Reserve Inc.

(Exact name of registrant as specified in its charter)

926 W. Sprague Avenue, Suite 200
Spokane, Washington 99201
(Address of principal executive offices)

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

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

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

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

99.1 March 31, 2016 Interim Consolidated Financial Statements

99.2 March 31, 2016 Management's Discussion and Analysis

99.3 Chief Executive Officer's Certification of Interim Filings

99.4 Chief Financial Officer's Certification of Interim Filings

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 of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (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:

- our ability to reach agreement on definitive documentation for the transactions contemplated by the Memorandum of Understanding (the "MOU") that the Company entered into with the Bolivarian Republic of Venezuela ("Venezuela") on February 24, 2016, with respect to the potential settlement, including the payment and resolution, of the amounts awarded (including pre and post award interest and legal costs) (the "Arbitral Award" or "Award") by the International Centre for Settlement of Investment Disputes, an amount yet to be agreed to by the parties in exchange for the Company's contribution of the mining data related to the Brisas Project (the "Mining Data") to the Brisas-Cristinas Project (as defined herein) and the potential subsequent joint development and financing of the Brisas Project and the adjacent Cristinas gold-copper project into one combined project ("Brisas-Cristinas Project") by the Company and Venezuela and consummate such transactions;
- the ability of Venezuela to obtain financing on favorable terms, if at all, to fund the contemplated payments to the Company pursuant to the Arbitral Award or the other transactions contemplated by the MOU, including the potential development of the Brisas-Cristinas Project;
- our ability along with Venezuela to obtain the approval of the National Executive Branch of the Venezuelan government to create a Special Economic Zone or otherwise provide tax and other economic benefits for the activities of the jointly owned entity (which we refer to herein as the "mixed company") contemplated by the MOU;
- our ability to satisfy the obligations under our outstanding notes following any payment by Venezuela under the Arbitral Award or with respect to our contribution of the Mining Data to the mixed company, and any subsequent distribution of remaining funds to our shareholders (subject in each case to the payment of outstanding or incurred corporate obligations and/or taxes);
- the timing of the consummation of the transactions contemplated by the MOU or our collection of the Arbitral Award, if at all;
- the costs associated with the enforcement and collection of the Arbitral Award, including the costs that we will incur in connection with the settlement of the Arbitral Award pursuant to the transactions contemplated by the MOU;
- the complexity and uncertainty of varied legal processes in multiple international jurisdictions associated with our ongoing efforts to collect the Arbitral Award (including the U.S.);
- concentration of our potential future operations and assets in Venezuela, including operational, regulatory, political and economic risks associated with Venezuelan operations;
- the potential for corruption and uncertain legal enforcement in Venezuela, including requests for improper payments;
- the potential that civil unrest, military actions and crime will impact our potential future operations and assets in Venezuela;
- risks associated with exploration and, if adequate reserves, financing and other resources are available, development of the Brisas-Cristinas Project (including regulatory and permitting risks);
- our ongoing liquidity and capital resources and access to additional funding in the future when required;
- continued servicing or restructuring of our outstanding notes or other obligations as they come due;
- our ability to maintain continued listing of its Class A common shares on the TSXV;
- our long-term plan for identifying and achieving revenue producing operations in the future;
- shareholder dilution resulting from restructuring, refinancing or conversion of our outstanding notes;

- shareholder dilution resulting from the sale of additional equity, if required;
 - value realized from the disposition of the remaining Brisas Project related assets, if any;
 - value realized from the disposition of the Mining Data, if any, pursuant to the transactions contemplated by the MOU or otherwise;
 - prospects for the Company's exploration and development of mining projects, including the potential joint development of the Brisas-Cristinas Project by the Company and Venezuela;
 - currency, metal prices and metal production volatility;
 - adverse U.S. and/or Canadian tax consequences;
 - abilities and continued participation of certain key employees; and
 - other risks normally incident to the exploration, development and operation of mining properties.
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This list is not exhaustive of the factors that may affect any of our forward-looking statements. 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 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 page follows)

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 11, 2016

GOLD RESERVE INC. (Registrant)

By: /s/ Robert A. McGuinness

Name: Robert A. McGuinness

Title: Vice President – Finance & CFO

GOLD RESERVE INC.
March 31, 2016
Interim Consolidated Financial Statements
U.S. Dollars
(unaudited)

GOLD RESERVE INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited - Expressed in U.S. dollars)

	March 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 4)	\$ 10,616,058	\$ 9,350,892
Marketable securities (Notes 5 and 6)	313,767	180,986
Deposits, advances and other	447,253	590,250
Total current assets	11,377,078	10,122,128
Property, plant and equipment, net (Note 7)	12,606,982	12,258,599
Total assets	\$ 23,984,060	\$ 22,380,727
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses (Note 3)	\$ 1,387,327	\$ 1,549,905
Accrued interest	16,715	2,388
Total current liabilities	1,404,042	1,552,293
Convertible notes and interest notes (Note 10)	42,067,927	39,671,870
Other (Note 10)	1,012,491	1,012,491
Total liabilities	44,484,460	42,236,654

SHAREHOLDERS' EQUITY

Serial preferred stock, without par value

Authorized: Unlimited

Issued: None

Common shares 297,772,378 290,467,418

Class A common shares, without par value

Authorized: Unlimited

Issued and outstanding: 2016...78,720,147 2015...76,447,147

Contributed Surplus (Note 10) 30,435,625 30,435,625

Stock options (Note 9) 17,363,405 20,523,325

Accumulated deficit (366,273,667) (361,351,373)

Accumulated other comprehensive income 201,859 69,078

Total shareholders' deficit (20,500,400) (19,855,927)

Total liabilities and shareholders' equity \$ 23,984,060 \$ 22,380,727

Contingencies (Note 3)

Subsequent Events (Note 11)

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

Approved by the Board of Directors:

/s/ Patrick D. McChesney

/s/ James P. Geyer

GOLD RESERVE INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited - Expressed in U.S. dollars)

	Three Months Ended	
	March 31,	
	2016	2015
OTHER INCOME (LOSS)		
Gain on disposition of marketable securities	\$ 48,300	\$ –
Interest	2,112	2
Foreign currency gain (loss)	(5,491)	16,600
	<u>44,921</u>	<u>16,602</u>
EXPENSES		
Corporate general and administrative	733,684	736,192
Exploration	61,552	58,172
Legal and accounting	193,268	91,739
Venezuelan operations	14,025	28,615
Arbitration (Note 3)	1,344,835	435,609
Equipment holding costs	209,467	198,239
Interest expense (Note 10)	2,410,384	2,180,367
	<u>4,967,215</u>	<u>3,728,933</u>
Net loss for the period	\$ (4,922,294)	\$ (3,712,331)
Net loss per share, basic and diluted	\$ (0.06)	\$ (0.05)
Weighted average common shares outstanding	78,670,191	76,077,647

GOLD RESERVE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in U.S. dollars)

	Three Months Ended	
	March 31,	
	2016	2015
Net loss for the period	\$ (4,922,294)	\$ (3,712,331)
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to the consolidated statement of operations:		
Unrealized gain on marketable securities, net of tax of nil (Note 6)	132,781	27,943
Other comprehensive income	132,781	27,943
Comprehensive loss for the period	\$ (4,789,513)	\$ (3,684,388)

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

GOLD RESERVE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Three Months Ended March 31, 2016 and the Year Ended December 31, 2015
(Unaudited - Expressed in U.S. dollars)

	Common Shares and Equity Units			Contributed Surplus	Warrants	Stock Options	Accumulated Deficit	Accumulated Other Comprehensive Income
	Common Shares	Equity Units	Amount					
Balance, December 31, 2014	76,077,547	100	\$ 289,326,172	\$ 11,682,644	\$ 543,915	\$ 20,669,308	\$ (343,215,476)	\$ 17,004
Net loss							(18,135,897)	
Other comprehensive income								52,074
Stock option compensation						315,273		
Fair value of options exercised			461,256			(461,256)		
Equity Units converted to shares	100	(100)						
Warrant expiration				543,915	(543,915)			
Equity component of convertible notes (Note 10)				18,209,066				
Common shares issued for:								
Option exercises	369,500		679,990					
Balance, December 31, 2015	76,447,147	—	290,467,418	30,435,625	—	20,523,325	(361,351,373)	69,078
Net loss							(4,922,294)	
Other comprehensive income								132,781
Stock option compensation						8,180		
Fair value of options exercised			3,168,100			(3,168,100)		
Common shares issued for:								
Option exercises	2,273,000		4,136,860					
Balance, March 31, 2016	78,720,147	—	\$ 297,772,378	\$ 30,435,625	—	\$ 17,363,405	\$ (366,273,667)	\$ 201,859

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

GOLD RESERVE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in U.S. dollars)

	Three Months Ended	
	March 31,	
	2016	2015
Cash Flows from Operating Activities:		
Net loss for the period	\$ (4,922,294)	\$ (3,712,331)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock option compensation	8,180	59,321
Depreciation	1,617	1,962
Gain on disposition of marketable securities	(48,300)	-
Accretion of convertible notes	2,396,057	2,166,039
Changes in non-cash working capital:		
Net (increase) decrease in deposits and advances	142,997	(68,331)
Net decrease in accounts payable and accrued expenses	(148,251)	(5,623)
Net cash used in operating activities	(2,569,994)	(1,558,963)
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(350,000)	-
Proceeds from disposition of marketable securities	48,300	-
Net cash used in investing activities	(301,700)	-
Cash Flows from Financing Activities:		
Proceeds from the issuance of common shares	4,136,860	-
Net cash provided by financing activities	4,136,860	-
Change in Cash and Cash Equivalents:		
Net increase (decrease) in cash and cash equivalents	1,265,166	(1,558,963)
Cash and cash equivalents - beginning of period	9,350,892	6,439,147
Cash and cash equivalents - end of period	\$ 10,616,058	\$ 4,880,184

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

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

Note 1. The Company and Significant Accounting Policies:

The Company. Gold Reserve Inc. ("Gold Reserve", the "Company", "we", "us", or "our") is engaged in the business of acquiring, exploring and developing mining projects. We are an exploration stage company 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 activities relate to enforcement and collection efforts associated with the September 2014 Arbitral Award in connection with Venezuela's seizure of our mining project known as the Brisas Project (See Note 3, Arbitral Award Enforcement). All amounts shown herein are expressed in U.S. dollars unless otherwise noted. In February 1999 each Gold Reserve Corporation shareholder exchanged their shares for an equal number of Gold Reserve Inc. Class A common shares except in the case of certain U.S. holders who for tax reasons elected to receive equity units which were comprised of one Gold Reserve Inc. Class B common share and one Gold Reserve Corporation Class B common share and substantially equivalent to one Class A common share of Gold Reserve Inc. As of December 31, 2015, all equity units had been converted to Class A common shares.

Basis of Presentation and Principles of Consolidation. These consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The statements include the accounts of the Company, Gold Reserve Corporation, four Venezuelan subsidiaries, a Mexican subsidiary and four other subsidiaries which were formed to hold our interest in our foreign subsidiaries or for future transactions. All 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. As these unaudited interim consolidated financial statements do not contain all of the disclosures required by U.S. GAAP for annual financial statements, they should be read in conjunction with the annual financial statements and related notes included in our Annual Report on Form 40-F for the year ended December 31, 2015.

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 major Canadian and U.S. 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 which was originally purchased for the Brisas Project at a cost of approximately \$24.6 million. The carrying value of this equipment has been adjusted, as a result of impairment tests, to its estimated fair value of \$12.2 million and it 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 and office equipment is depreciated using the straight-line method over 5 to 10 years. The remaining property, plant and equipment are fully depreciated.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

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 the 2012 Equity Incentive Plan (the "2012 Plan") which provides for the grant of stock options to purchase our 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. We also maintain the Gold Reserve Director and Employee Retention Plan (the "Retention Plan"). Each Unit (each, a "Retention Unit") granted under the Retention Plan to a participant entitles such person to receive a cash payment equal to the fair market value of one Class A common Share (1) on the date the Retention Unit was granted or (2) on the date any such participant becomes entitled to payment, whichever is greater. We will not accrue a liability for these Retention Units until and unless events required for vesting of the units occur. Stock options and Retention Units granted under the respective plans 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 Loss Per Share. Net loss per share is computed by dividing net loss by the combined weighted average number of Class A common shares and equity units outstanding during each year. In periods in which a loss is incurred, the effect of potential issuances of shares under options and convertible notes would be anti-dilutive, and therefore basic and diluted losses per share are the same.

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 notes is estimated using the residual value method. The fair value of the debt component is accreted to the face value of the notes using the effective interest rate method over the contractual life of the notes, with the resulting charge recorded as interest expense.

Financial Instruments. Marketable equity securities are classified as available for sale with any unrealized gain or loss recorded in other comprehensive income. 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 and advances are accounted for at cost which approximates fair value. Accounts payable, convertible notes and interest notes are recorded at amortized cost. Amortized cost of accounts payable approximates fair value.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

Contingent Value Rights. Contingent value rights ("CVRs") are obligations arising from the disposition of a portion of the rights to future proceeds of the Arbitral Award against Venezuela and/or the sale of the Brisas Project technical mining data (the "Mining Data") that we compiled.

Warrants. Common share purchase warrants ("Warrants") issued by us entitle the holder to acquire our common shares at a specific price within a certain time period. The fair value of warrants issued is calculated using the Black-Scholes method.

Note 2. New Accounting Policies:

Adopted in the year

In April 2015, the Financial Accounting Standards Board ("FASB") issued ASU 2015-03, Interest – Imputation of interest. This update requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments in this update were effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The adoption of this ASU did not have a significant impact on our financial statements.

Recently issued accounting pronouncements

In March 2016, the FASB issued ASU 2016-09, Compensation – Stock Compensation. The objective of this update is to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This update is effective for us commencing with the annual period ending after December 15, 2016. We are still in the process of evaluating the impact of this standard.

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 is effective for us commencing with the annual period ending after December 15, 2017. We are still in the process of evaluating the impact of this standard.

In August 2014, the FASB issued ASU 2014-15, which provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. This update is effective for us commencing with the annual period ending after December 15, 2016. We are still in the process of evaluating the impact of this standard.

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 is effective for us commencing with the annual period ending after December 15, 2017. We are still in the process of evaluating the impact of this standard.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

Note 3. Arbitral Award Enforcement:

SETTLEMENT EFFORTS

On February 24, 2016, we entered into a Memorandum of Understanding (the "MOU") with the Venezuelan government that contemplates settlement, including payment and resolution, of the amounts awarded (including pre and post award interest and legal costs) (the "Arbitral Award" or "Award") by the International Centre for Settlement of Investment Disputes ("ICSID") in respect of the Brisas Project, an amount yet to be agreed to by the parties in exchange for the Company's contribution of the mining data related to the Brisas Project (the "Mining Data"), as well as the development of the Brisas and the adjacent Cristinas gold-copper project, which will be combined into one project (the "Brisas-Cristinas Project") by the parties.

Under the terms proposed in the MOU, Venezuela would proceed with payment of the Award including accrued interest pursuant to a settlement agreement and thereafter enter into a mixed company agreement whereby the Venezuelan Republic or its designate would own 55% and we would own 45% of a company organized to develop the Brisas-Cristinas properties (the "Mixed Company"). The terms contemplated by the MOU are subject to various conditions, including without limitation, receipt of all necessary regulatory and corporate approvals and the successful negotiation and execution of definitive agreements. In addition, Venezuela would pay an amount to be agreed upon for our contribution of the Mining Data to the Mixed Company.

Following completion of the definitive agreements, it is anticipated that Venezuela, with our assistance, would work to complete the financing to fund the contemplated payments to us pursuant to the Award and for our Mining Data plus \$2 billion towards the anticipated capital costs of the Brisas-Cristinas Project. Upon payment of the Award, we will cease all legal activities related to the collection of the Award.

The Brisas and Cristinas properties, together with our technical data with respect to the Brisas Project, would be transferred to the Mixed Company. We also anticipate that we will be engaged under a technical assistance agreement to provide procurement, engineering and construction services for the project. The parties would also seek, subject to the approval of the National Executive Branch of the Venezuelan government, the creation of a special economic zone providing the establishment of a special customs framework for the Mixed Company and other tax and economic benefits.

The MOU is not binding on either party and may be unilaterally terminated by either party at any time upon simple communication to the other party indicating the date of termination. The MOU was initially scheduled to terminate on April 24, 2016, but it was extended by the parties to May 12, 2016.

We are required to satisfy our outstanding obligations under the Convertible Notes and the CVRs and intend to distribute to our shareholders substantially all of the net proceeds (subject to the payment of all outstanding or incurred corporate obligations and/or taxes) following any payment by Venezuela under the Award or with respect to contribution by us of the Mining Data to the Mixed Company.

ENFORCEMENT AND COLLECTION EFFORTS

In October 2009, we initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the ICSID of the World Bank to obtain compensation for the losses caused by the actions of Venezuela that terminated the 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 (the "Canada-Venezuela BIT"). (Gold Reserve Inc. v. Bolivarian Republic of Venezuela (ICSID Case No. ARB(AF)/09/1)).

The September 22, 2014 ICSID Arbitral Award

On September 22, 2014, the ICSID Tribunal unanimously awarded us the Arbitral Award totaling (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 (approximately \$64,000 per day based on current rates) for a total estimated Award as of the date of this report of \$772 million. An ICSID Additional Facility Award is enforceable globally in jurisdictions that allow for the recognition and enforcement of commercial arbitral awards.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

The December 15, 2014 Reconfirmation of Arbitral Award

Subsequent to the issuance of the Arbitral Award, both parties filed requests for the ICSID Tribunal to correct what each party identified as "clerical, arithmetical or similar errors" in the Award as is permitted by the rules of ICSID's Additional Facility. We identified what we considered an inadvertent arithmetic error that warranted an increase in the Arbitral Award of approximately \$50 million and Venezuela identified what it contended were significant inadvertent arithmetic errors that supported a reduction of the Award by approximately \$361 million. On December 15, 2014, the Tribunal denied both parties' requests for correction and reaffirmed the Award originally rendered in our favor on September 22, 2014 (the "December 15th Decision"). This proceeding marked the end of the Tribunal's jurisdiction with respect to the Award.

Although the process of getting an award recognized and enforced is different in each jurisdiction, the process in general is—we file a petition or application to confirm the Award with the competent court; Venezuela has the right to oppose such petition for confirmation or recognition; thereafter there are a number of filings made by both parties and in some cases hearings before the court. If the court subsequently confirms the enforcement of the Award then the court will issue a judgment against Venezuela. Thereafter we will begin the process of executing the judgment by identifying and attaching specific property owned by Venezuela that is not protected by sovereign immunity. Currently, we are diligently pursuing enforcement and collection of the Award in France, England, Luxembourg and the United States.

Our Intent to Distribute Collection of the Arbitral Award to Shareholders

Subject to applicable regulatory requirements regarding capital and reserves for operating expenses, accounts payable and income taxes, and any obligations arising as a result of the collection of the ICSID Award or sale of the Mining Data including payments pursuant to the terms of the Convertible Notes (if not otherwise converted), Interest Notes, CVRs, Bonus Plan and Retention Plan (all as defined herein) or undertakings made to a court of law, our current plans are to distribute to our shareholders, in the most cost efficient manner, a substantial majority of any net proceeds.

Obligations Due Upon Collection of Arbitral Award and Sale of Brisas Technical Mining Data

The Board of Directors (the "Board") approved a Bonus Pool Plan (the "Bonus Plan") in May 2012, which is intended to reward the participants, including executive officers, employees, directors and consultants, for their past and future contributions including their efforts related to the development of the Brisas Project, execution of the Brisas Arbitration and the collection of an award or sale of the Mining Data, if any. The bonus pool under the Bonus Plan will generally be 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. Participation in the Bonus Plan vests upon the participant's selection by the Committee of independent directors, subject to voluntary termination of employment or termination for cause. We also maintain the Gold Reserve Director and Employee Retention Plan (See Note 9). Units (the "Retention Units") granted under the plan become fully vested and payable upon: (1) collection of proceeds from the Arbitral Award and/or sale of the Mining Data and we notify our shareholders that we will distribute a substantial majority of the proceeds to them or, (2) the event of a change of control. We currently do not accrue a liability for the Bonus or Retention Plan as events required for payment under the Plans have not yet occurred. By agreement, in December 2015 the Company paid approximately \$2.5 million in legal fees which were deferred during the arbitration and became payable as a result of the Award. This agreement included a reduction of \$0.5 million from the original amount due of \$3.1 million and a deferral of an additional \$0.1 million until collection of the Award. The total amount of contingent legal fees which will become payable upon the collection of the Award is approximately \$1.8 million.

We also have outstanding CVRs which entitle each holder that participated in the note restructuring completed in 2012 to receive, net of certain deductions (including income tax calculation and the payment of our then current obligations), a pro rata portion of a maximum aggregate amount of 5.468% of the proceeds actually received by us with respect to the Arbitral Award or disposition of the Mining Data related to the development of the Brisas Project. The proceeds, if any, could be cash, commodities, bonds, shares and/or any other consideration we received and if such proceeds are other than cash, the fair market value of such non-cash proceeds, net of any required deductions (e.g., for taxes) will be subject to the CVRs and will become our obligation only as the Arbitral Award is collected.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

Note 4. Cash and Cash Equivalents:

	March 31, 2016	December 31, 2015
Bank deposits	\$ 6,037,659	\$ 9,278,730
Money market funds	4,578,399	72,162
Total	<u>\$ 10,616,058</u>	<u>\$ 9,350,892</u>

Note 5. Marketable Securities:

	March 31, 2016	December 31, 2015
Fair value at beginning of year	\$ 180,986	\$ 175,541
Impairment loss	—	(46,629)
Increase in market value	132,781	52,074
Fair value at balance sheet date	<u>\$ 313,767</u>	<u>\$ 180,986</u>

The Company's marketable securities are classified as available-for-sale and are recorded at quoted market value with gains and losses recorded within other comprehensive income until realized or impaired. Realized gains and losses are based on the average cost of the shares held at the date of disposition. As of March 31, 2016 and December 31, 2015, marketable securities had a cost basis of \$111,908.

Note 6. Fair Value Measurements:

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 level 2 inputs used for the convertible notes include the volume weighted average trading price of our common stock and the trading history of the Old Notes (as defined in Note 10).

	Fair value March 31, 2016		Level 1		Level 2	
Marketable securities	\$	313,767	\$	313,767	\$	—
Convertible notes and interest notes	\$	83,472,399	\$	—	\$	83,472,399

	Fair value December 31, 2015		Level 1		Level 2	
Marketable securities	\$	180,986	\$	180,986	\$	—
Convertible notes and interest notes	\$	50,268,471	\$	—	\$	50,268,471

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

Note 7. Property, Plant and Equipment:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
March 31, 2016			
Machinery and equipment	\$ 12,234,092	\$ —	\$ 12,234,092
Furniture and office equipment	348,387	(339,497)	8,890
Leasehold improvements	41,190	(41,190)	—
Venezuelan property and equipment	171,445	(157,445)	14,000
Mineral property	350,000	—	350,000
	<u>\$ 13,145,114</u>	<u>\$ (538,132)</u>	<u>\$ 12,606,982</u>

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
December 31, 2015			
Machinery and equipment	\$ 12,234,092	\$ —	\$ 12,234,092
Furniture and office equipment	348,387	(337,880)	10,507
Leasehold improvements	41,190	(41,190)	—
Venezuelan property and equipment	171,445	(157,445)	14,000
	<u>\$ 12,795,114</u>	<u>\$ (536,515)</u>	<u>\$ 12,258,599</u>

Machinery and equipment consists of infrastructure and milling equipment previously intended for use on the Brisas Project. On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the “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 a royalty interest with respect to (i) precious metals produced and recovered from the Property equal to 3% of net smelter returns on such metals (the “Precious Metals Royalty”) and (ii) base metals produced and recovered from the Property equal to 1% of net smelter returns on such metals, provided that 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

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 common shares or cash to participants’ accounts, subject to certain limitations, is at the discretion of the Board. There have been no common shares allocated to the KSOP Plan since 2011. Cash contributions for plan year 2015 were approximately \$150,000. As of March 31, 2016, no contributions by the Company had been made for plan year 2016.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

Note 9. Stock Based Compensation Plans:

Equity Incentive Plans

On June 27, 2012, the shareholders approved the 2012 Equity Incentive Plan (the "2012 Plan") to replace our previous equity incentive plans. In 2014, the Board amended and restated the 2012 Plan changing the maximum number of Class A common shares issuable under options granted under the 2012 Plan from a "rolling" 10% of the outstanding Class A common shares to a fixed number of 7,550,000 Class A common shares. As of March 31, 2016, there were 1,519,500 options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSX Venture Exchange ("TSXV") and as may be determined by a committee established pursuant to the 2012 Plan, or in certain cases, by the Board.

Share option transactions for the three months ended March 31, 2016 and 2015 are as follows:

	2016		2015	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding - beginning of period	5,643,500	\$ 2.43	5,698,000	\$ 2.31
Options exercised	(2,273,000)	1.82	-	-
Options granted	-	-	100,000	3.89
Options outstanding - end of period	3,370,500	\$ 2.85	5,798,000	\$ 2.34
Options exercisable - end of period	3,345,500	\$ 2.84	5,619,663	\$ 2.29

The following table relates to stock options at March 31, 2016:

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	875,000	\$1.92	\$2,222,500	5.19	875,000	\$1.92	\$2,222,500	5.19
\$2.89	1,620,500	\$2.89	2,544,185	0.84	1,620,500	\$2.89	2,544,185	0.84
\$3.00	250,000	\$3.00	365,000	2.20	250,000	\$3.00	365,000	2.20
\$3.89	100,000	\$3.89	57,000	3.96	75,000	\$3.89	42,750	3.96
\$3.91	215,000	\$3.91	118,250	9.25	215,000	\$3.91	118,250	9.25
\$4.02	310,000	\$4.02	136,400	8.32	310,000	\$4.02	136,400	8.32
\$1.92 - \$4.02	3,370,500	\$2.85	\$5,443,335	3.39	3,345,500	\$2.84	\$5,429,085	3.38

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

During the three months ended March 31, 2016 and 2015, the Company granted NIL and 100,000 stock options, respectively. In the first quarter of 2016, approximately 2.3 million outstanding options were exercised for net proceeds to the Company of approximately \$4.1 million. The Company recorded non-cash compensation expense during the three months ended March 31, 2016 and 2015 of \$8,180 and \$59,321, respectively for stock options granted in 2015 and prior periods.

The weighted average fair value of the options granted in the first quarter of 2015 was calculated at \$0.87. The fair value of options granted was determined using the Black-Scholes model based on the following weighted average assumptions:

Risk free interest rate	0.70%
Expected term	2 years
Expected volatility	39%
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 the Company's stock over a period equal to the expected term of the option.

Retention Units Plan

The Company also maintains the Gold Reserve Director and Employee Retention Plan. Units granted under the plan become fully vested and payable upon: (1) collection of Arbitral Award proceeds from the ICSID arbitration process and/or sale of mining data and the Company agrees to distribute a substantial majority of the proceeds to its shareholders or, (2) the event of a change of control. Each 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 (1) on the date the unit was granted or (2) on the date any such participant becomes entitled to payment, whichever is greater. As of March 31, 2016 an aggregate of 1,457,500 unvested units have been granted to directors and executive officers of the Company and 315,000 units have been granted to other employees. The Company currently does not accrue a liability for these units as events required for vesting of the units have not yet occurred. The minimum value of these units, based on the grant date value of the Class A common shares, was approximately \$7.7 million.

Note 10. Convertible Notes and Interest Notes:

During the second quarter of 2014, we extended the maturity date of approximately \$25.3 million convertible notes from June 29, 2014 to December 31, 2015 and issued approximately \$12.0 million of additional convertible notes also maturing December 31, 2015, net of costs of approximately \$1.3 million. Approximately \$27.2 million of the notes were issued to affiliated funds and considered to be related party transactions.

During the fourth quarter of 2015, we issued approximately \$13.4 million of new convertible notes (the "New Notes") due December 31, 2018 and modified, amended and extended the maturity date of approximately \$43.7 million of outstanding convertible notes, interest notes and accrued interest (the "Modified Notes") from December 31, 2015 to December 31, 2018, together with the New Notes, (the "2018 Notes"). The New Notes are comprised of approximately \$12.3 million with an original issue discount of 2.5% of the principal amount and approximately \$1.1 million representing 2.5% of the extended principal and interest amount due to the note holders as a restructuring fee.

The total cost of the new issuance and restructuring of the 2018 Notes was approximately \$2.4 million, which includes approximately \$1.4 million of extension and issuance fees that were expensed and approximately \$1.0 million associated with legal and associated transactional fees that were capitalized.

Approximately \$30.7 million of the Modified Notes and \$10.7 million of the New Notes were issued to affiliated funds which exercised control or direction over more than 10% of our common shares prior to the transactions and as a result, those portions of the transactions were considered to be related party transactions.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

The Modified Notes include convertible notes and interest notes from previous financings and restructurings in 2007, 2012 and 2014. Pursuant to a 2012 restructuring, we issued CVRs that entitle the holders to an aggregate of 5.468% of any future proceeds, net of certain deductions (including income tax calculation and the payment of our then current obligations), actually received by us with respect to the Brisas Arbitration proceedings and/or disposition of the Mining Data.

The 2018 Notes bear interest at a rate of 11% per year, which will be accrued quarterly, be issued in the form of a note ("Interest Notes" and, together with the 2018 Notes, the "Notes") and be payable in cash at maturity. The 2018 Notes are convertible, at the option of the holder, into 333.3333 Class A common shares per US \$1,000 principal amount (equivalent to a conversion price of US \$3.00 per common share) at any time upon prior written notice to us. The Notes are senior obligations, secured by substantially all of our assets and are subject to certain other terms including restrictions regarding the pledging of our assets and incurrence of certain capital expenditures or additional indebtedness without consent of note holders; and participation rights in future equity or debt financing.

We also have outstanding \$1.0 million notes issued in May 2007 ("2022 Notes") with a maturity date of June 15, 2022. The 2022 Notes bear interest at a rate of 5.50% per year, payable semiannually in arrears on June 15 and December 15 and, subject to certain conditions we may redeem, repurchase or convert the 2022 Notes into our Class A common shares at a conversion price of \$7.54 per common share.

The amount recorded as Convertible Notes and Interest Notes in the consolidated balance sheet as of March 31, 2016 is comprised of approximately \$39.0 million carrying value of 2018 Notes issued pursuant to the 2015 Restructuring, approximately \$1.0 million of previously issued 2022 Notes held by note holders who declined to participate in the note restructuring effected in 2012 and post restructuring Interest Notes of approximately \$2.1 million. The carrying value of Convertible Notes will be accreted to face value using the effective interest rate method over the expected life of the Convertible Notes with the resulting charge recorded as interest expense.

The Notes are the Company's secured indebtedness and are subject to certain terms including: (1) the technical data related to the development of the Brisas Project and any award related to the Brisas Arbitration may not be pledged without consent of holders comprising at least 75% in aggregate principal amount of outstanding Notes; (2) subject to certain exceptions, we may not incur any additional indebtedness without consent of holders comprising at least 75% in aggregate principal amount of the outstanding Notes; (3) each holder of the Notes will have the right to participate, on a pro-rata basis based on the amount of equity it holds, including Class A common shares issuable upon conversion of convertible securities, in any future equity (or equity-linked) or debt financing; (4) the Notes shall be redeemable on a pro-rata basis, by us at the note holders' option, for an amount of cash equal to 120% of the outstanding principal balance upon (a) the issuance of a final Arbitration Award, with respect to which enforcement has not been stayed and no annulment proceeding is pending, or (b) our receipt of proceeds from the sale of the technical data related to the development of the Brisas Project; provided we shall only be obligated to make a redemption to the extent net cash proceeds received are in excess of \$20,000,000, net of taxes and \$13,500,000 to fund professional fees and expenses and accrued and unpaid prospective operating expenses; (5) capital expenditures (including exploration and related activities) shall not exceed an aggregate of \$500,000 in any 12-month period without the prior consent of holders of a majority in the aggregate principal amount of the outstanding Notes; (6) subject to certain exceptions, we shall not incur, create or suffer to exist any liens securing indebtedness without consent of holders comprising at least 75% in aggregate principal amount of the outstanding Notes; and (7) we shall not agree with any holder of the Notes to any amendment or modification to any terms of any security issued under the indenture governing the Notes, provide any fees or other compensation whether in cash or in-kind to any holder of such securities, or engage in the repurchase, redemption or other defeasance of any such security without offering such terms, compensation or defeasance to all holders of the Notes on an equitable and pro-rata basis.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. dollars)

Accounting standards require that we allocate the 2018 Notes between their equity and liability component parts based on their respective fair values at the time of issuance. The liability component was computed by discounting the stream of future payments of interest and principal at an effective interest rate of 27% which was the estimated market rate for a similar liability that does not have an associated equity component. The equity portion of the 2018 Notes was estimated using the residual value method at approximately \$18.2 million net of issuance costs which were allocated pro rata between the equity and liability components. The fair value of the liability component is accreted to the face value of the 2018 Notes using the effective interest rate method over the expected life of the 2018 Notes, with the resulting charge recorded as interest expense. Extinguishment accounting was used for the Modified Notes resulting in a loss of \$0.5 million due to the unamortized discount remaining on the Modified Notes prior to the restructuring. As of March 31, 2016, we had \$58.1 million face value of Convertible Notes and \$2.1 million face value of Interest Notes outstanding.

Note 11. Subsequent Events:

Memorandum of Understanding

On February 24, 2016, we entered into the MOU with the government of the Bolivarian Republic of Venezuela that contemplates settlement, including payment and resolution, of the Arbitral Award granted in our favor by ICSID in respect of the Brisas Project, the transfer of the Mining Data previously compiled by the Company, as well as the development of the Brisas-Cristinas Project by the parties (See Note 3 for further discussion). The MOU was initially scheduled to terminate on April 24, 2016, but it was extended by the parties to May 12, 2016.

Private Placement

On March 9, 2016, we announced a non-brokered private placement with certain arm's length investors for gross proceeds of up to US \$38.0 million (the "Private Placement"). Pursuant to the Private Placement, with conditional approval from the TSXV, we will issue up to 9,500,000 Class A common shares at a price of US \$4.00 per share. On May 4, 2016, we announced the closing of the first tranche of the Private Placement whereby we issued 5,210,000 Class A common shares for aggregate proceeds of \$20.8 million. The TSXV has granted us an extension until May 15, 2016 to complete the sale of the remaining shares pursuant to the Private Placement.

The proceeds will be used for general working capital purposes. We are diligently working to conclude and execute the documentation required to affect the remaining tranche of the Private Placement. No commission or finder's fee will be paid in connection with the Private Placement. The shares will be offered pursuant to exemptions from the prospectus requirements of applicable securities legislation and will be subject to a hold period in Canada of four months and a day from their date of issuance.

In connection with the Private Placement, we requested from the holders of the 2018 Notes a waiver of their right to participate in the Private Placement as defined in the Note Restructuring and Note Purchase Agreement dated November 30, 2015. The agreed upon waiver is subject to: 1) the completion of the Private Placement on or before May 15, 2016; 2) our agreement that we will not engage in any future financings, including equity (or equity linked) or debt, whether by private placement or otherwise, without the consent of the majority of note holders; provided, however, that such consent will no longer be required upon the earliest to occur of the following events: (i) the abandonment of the Private Placement or, if the Private Placement is not earlier abandoned, the failure to close the Private Placement on or prior to May 15, 2016; (ii) a substantial majority of any proceeds from the Arbitral Award have been distributed by the Company to our shareholders; and (iii) December 31, 2016, whether or not the Private Placement has been consummated.

GOLD RESERVE INC.
March 31, 2016
Management's Discussion and Analysis
U.S. Dollars
(unaudited)

Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

This Management's Discussion and Analysis of Financial Condition and Results of Operations, dated May 11, 2016 is intended to assist in understanding and assessing our results of operations and financial condition and should be read in conjunction with the March 31, 2016 consolidated financial statements and related notes.

Gold Reserve, an exploration stage mining company, is engaged in the business of acquiring, exploring and developing mining projects. Management's recent activities have focused on:

- Ongoing communication with representatives of Venezuela to collect the Award which led to the signing, on February 24, 2016, of the Memorandum of Understanding (the "MOU") with Venezuela that contemplates settlement, including payment and resolution, of the Award, the transfer of the mining data related to the Brisas Project (the "Mining Data") previously compiled by the Company, as well as the joint development of the Brisas and the adjacent Cristinas gold-copper project, which will be combined into one project (the "Brisas-Cristinas Project");
- Continued efforts to ensure timely payment of amounts awarded (including pre and post award interest and legal costs) (the "Arbitral Award" or "Award") by the tribunal of the International Centre for Settlement of Investment Disputes (the "ICSID Tribunal" or "Tribunal") on September 22, 2014 in connection with Venezuela's seizure of our mining project known as the Brisas Project;
- Evaluating other exploration mining prospects which on March 1, 2016, concluded in the acquisition of certain wholly-held Alaska mining claims pursuant to a Purchase and Sale Agreement dated as of January 12, 2016;
- Completion of a non-brokered private placement for gross proceeds of up to US \$38.0 million; and
- Pursuing opportunities to dispose of the remaining Brisas Project related assets.

BRISAS ARBITRAL AWARD

SETTLEMENT EFFORTS

On February 24, 2016, we entered into an MOU with Venezuela that contemplates settlement, including payment and resolution, of the Award granted in our favor by ICSID in respect of the Brisas Project, the transfer of the Mining Data, as well as the development of the Brisas-Cristinas Project by the parties.

Under the terms proposed in the MOU, Venezuela would proceed with payment of the Award including accrued interest and enter transactional (settlement) and mixed company agreements, which are contemplated by the terms of the MOU, subject to various conditions, including without limitation, receipt of all necessary regulatory and corporate approvals and the successful negotiation and execution of definitive agreements. In addition, Venezuela would pay an amount to be agreed upon for our contribution of the Mining Data to the Brisas-Cristinas Project.

Following completion of the definitive agreements, it is anticipated that Venezuela, with our assistance, would work to complete the financing to fund the contemplated payments to us pursuant to the Award and for our Mining Data and \$2 billion towards the anticipated capital costs of the Brisas-Cristinas Project. Upon payment of the Award, we will cease all legal activities related to the collection of the Award.

The Brisas and Cristinas properties, together with our technical data with respect to the Brisas Project, would be transferred to a Venezuelan mixed company, which is expected to be beneficially owned 55% by Venezuela and 45% by Gold Reserve (the "Mixed Company"). We also anticipate being engaged under a technical assistance agreement to provide procurement, engineering and construction services for the project. The parties would also seek, subject to the approval of the National Executive Branch of the Venezuelan government, the creation of a special economic zone providing the establishment of a special customs framework for the Mixed Company and other tax and economic benefits.

The MOU is not binding on either party and may be unilaterally terminated by either party at any time upon simple communication to the other party indicating the date of termination. The MOU was initially scheduled to terminate on April 24, 2016, but it was extended by the parties to May 12, 2016.

We expect to satisfy our outstanding obligations under the notes and the CVRs, as defined herein, and distribute to our shareholders substantially all of the net proceeds (subject to the payment of all outstanding or incurred corporate obligations and/or taxes) following any payment by Venezuela under the Award or with respect to contribution by us of the Mining Data to the Mixed Company.

ENFORCEMENT AND COLLECTION EFFORTS

In October 2009, we initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the ICSID of the World Bank to obtain compensation for the losses caused by the actions of Venezuela that terminated the 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 (the "Canada-Venezuela BIT"). (Gold Reserve Inc. v. Bolivarian Republic of Venezuela (ICSID Case No. ARB(AF)/09/1)).

The September 22, 2014 ICSID Arbitral Award

On September 22, 2014, the ICSID Tribunal unanimously awarded us the Arbitral Award totaling (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 (approximately \$64,000 per day based on current rates) for a total estimated Award as of the date of this report of \$772 million. An ICSID Additional Facility Award is enforceable globally in jurisdictions that allow for the recognition and enforcement of commercial arbitral awards.

The December 15, 2014 Reconfirmation of Arbitral Award

Subsequent to the issuance of the Award, both parties filed requests for the ICSID Tribunal to correct what each party identified as "clerical, arithmetical or similar errors" in the Award as is permitted by the rules of ICSID's Additional Facility. We identified what we considered an inadvertent arithmetic error that warranted an increase in the Award of approximately \$50 million and Venezuela identified what it contended were significant inadvertent arithmetic errors that supported a reduction of the Award by approximately \$361 million. On December 15, 2014, the Tribunal denied both parties' requests for correction and reaffirmed the Award originally rendered in our favor on September 22, 2014 (the "December 15th Decision"). This proceeding marked the end of the Tribunal's jurisdiction with respect to the Award.

Although the process of getting the Award recognized and enforced is different in each jurisdiction, the process in general is—we file a petition or application to confirm the Award with the competent court; Venezuela has the right to oppose such petition for confirmation or recognition; thereafter there are a number of filings made by both parties and in some cases hearings before the court. If the court subsequently confirms the enforcement of the Award then the court will issue a judgment against Venezuela. Thereafter we will begin the process of executing the judgment by identifying and attaching specific property owned by Venezuela that is not protected by sovereign immunity.

Legal Activities in France

The Award was issued by a Tribunal constituted pursuant to the arbitration rules of ICSID's Additional Facility and, by agreement of the parties the seat of the Tribunal was in Paris. As a consequence, the Award is subject to review by the French courts.

Venezuela's Requests for Annulment

Application for Annulment of the September 22, 2014 ICSID Arbitral Award

In late October 2014, Venezuela filed an application before the Paris Court of Appeal, declaring its intent to have the Award annulled or set aside. According to the initial schedule established by the Paris Court of Appeal, written pleadings were supposed to be closed by October 15, 2015 and the hearing of Venezuela's application to annul was to take place on November 3, 2015. Because the president of the section who was to rule on the case has been promoted to become a judge at the French Supreme Court, the Paris Court of Appeal decided to postpone the hearing from November 3, 2015 to March 10, 2016, and the date of the closure of the proceedings from October 15, 2015 to March 3, 2016. The procedural schedule contemplated a decision on Venezuela's annulment application on May 10, 2016. The parties jointly requested the Court of Appeal to postpone issuance of the decision to which the Court agreed and subsequently advised the parties it would render its decision on June 14, 2016.

Application for Annulment of the December 15, 2014 Reconfirmation of Arbitral Award

Venezuela also filed an application before the Paris Court of Appeal to annul the December 15th Decision whereby the Tribunal dismissed Venezuela's motion to correct the Award (see December 15, 2014 Reconfirmation of Arbitral Award above). Venezuela filed its brief on this matter on May 5, 2015 and on May 7, 2015 the Paris Court of Appeal accepted a proposal by both parties to follow the same procedural schedule established for the initial application for annulment discussed above. While the same procedural schedule contemplated a decision on both of Venezuela's annulment applications on May 10, 2016, the parties jointly requested the Court of Appeal to postpone issuance of the decision, as noted above, to June 14, 2016. Neither annulment proceedings discussed herein affect the enforceability of the Award in the interim.

Application for Exequatur

On October 31, 2014, we filed an application before the Paris Court of Appeal to obtain an Order of *exequatur* for the recognition of the Award in France. Venezuela opposed our application and requested a stay of execution pending the determination of its application for annulment of the Award discussed above. On January 29, 2015, the Paris Court of Appeal granted our application for *exequatur* and dismissed Venezuela's request to stay the execution of the Award pending the outcome of its application to annul the Award. This decision is not appealable. Since Venezuela was denied its motion to stay the execution of the Award, the *exequatur* or recognition of our ICSID Award granted on January 29, 2015 remains in full force and effect.

Legal Activities in US District Court for the District of Columbia

On November 26, 2014, we filed in the U.S. District Court for the District of Columbia (the "district court") a petition to confirm the Award. Venezuela initially avoided service related to the filing, refusing, among other things, to authorize its U.S. counsel to accept service of our petition. Subsequently on April 15, 2015, Venezuela agreed to accept service and further agreed to respond to the petition on or before June 12, 2015. On that date, Venezuela filed a motion to dismiss and raised arguments that were essentially the same as those invoked in its still-pending application to annul the Award before the Paris Court of Appeal. In the alternative, Venezuela asked for a stay of enforcement of the Award pending the annulment determinations by the Paris Court of Appeal. We filed our response to Venezuela's arguments on July 2, 2015, and thereafter through September 25, 2015, further briefing was submitted by both parties to the district court.

On November 20, 2015, the district court entered an Order denying Venezuela's motion to dismiss or in the alternative stay the proceedings, granting our petition to confirm the Award, confirming the Award, and entering judgment for us against Venezuela in the amount of \$713,032,000 plus (i) pre-award interest in the amount of \$22,299,576, (ii) post-award interest on the total amount awarded, inclusive of pre-award interest, at a rate of LIBOR plus 2%, compounded annually, from September 22, 2014, until payment in full; and (iii) \$5 million in legal fees and costs awarded by the ICSID Tribunal (collectively, the "Judgment"). Thereafter we vigorously pursued all available measures to enforce and collect on the Judgment, in full. On December 8, 2015, we filed a motion for an Order by the district court under 28 U.S.C. § 1610(c) determining that a "reasonable period of time" had elapsed since entry of the Judgment. Venezuela filed an opposition, and we filed a reply. By Order dated January 20, 2016, the district court granted the motion, thus allowing us to pursue further efforts to enforce and collect on the Judgment.

On December 16, 2015, Venezuela filed a notice of appeal of the Judgment to the United States Court of Appeals for the District of Columbia Circuit. The parties have completed their initial procedural filings. The filing of the appeal does not automatically stay enforcement of the Judgment. On January 20, 2016, we filed a motion for an Order by the district court permitting registration of the Judgment in federal district courts outside the District of Columbia. Venezuela filed an opposition, and we filed a reply.

On January 21, 2016, Venezuela filed a motion for a stay of execution of the Judgment pending appeal without it having to file an appeal bond. We filed an opposition, and Venezuela filed a reply. On January 27, 2016, we served Venezuela with requests for written discovery (interrogatories and requests for production of documents) in aid of enforcement of the Judgment. The original date for Venezuela to respond to the discovery requests was February 26, 2016.

On February 23, 2016, the parties filed a stipulation with the district court stating that Venezuela consented to the relief requested in our above-referenced motion for an Order permitting registration of the Judgment outside the District of Columbia, that we would not so register the Judgment prior to March 21, 2016, and that Venezuela's due date to respond to our January 27, 2016 discovery requests would be extended to March 28, 2016. On February 24, 2016, the district court entered an Order enforcing the terms of this stipulation. On February 24, 2016, the district court denied Venezuela's above-referenced motion for a stay of execution pending appeal. On March 7, Venezuela requested the same relief in a motion filed with the appellate court. We filed an opposition brief, Venezuela filed a reply and the issue is now fully briefed for a decision by the appellate court.

On March 28, 2016, the parties agreed that Venezuela's due date to respond to our January 27, 2016 discovery requests would be further extended to April 27, 2016, and that we would not register the Judgment in other federal district courts prior to April 27, 2016.

On May 4, the appellate court denied Venezuela's motion for a stay of execution pending appeal. On May 6, 2016, the parties agreed to extend the above-referenced April 27, 2016 deadlines to May 22, 2016. That same day, the appellate court issued a schedule for the appeal, with briefing to occur between June 15, 2016 and August 19, 2016.

Legal Activities in Luxembourg

On October 28, 2014, we were granted an exequatur for the recognition and execution of the Award by the Tribunal d'arrondissement de et à Luxembourg. As a result, we are allowed to proceed with conservatory or attachment actions against Venezuela's assets in the Grand Duchy of Luxembourg. On January 12, 2015, Venezuela filed a notice of appeal of this decision in the Cour d'appel de Luxembourg (the "Luxembourg Court of Appeal") asking for a stay of execution pending the determination of its application to annul the Award before the Paris Court of Appeal.

The Luxembourg Court of Appeal subsequently issued a scheduling direction, dividing Venezuela's arguments in two and ordering that the arguments on form and the request for stay of execution be heard together, on May 21, 2015. In accordance with the scheduling direction, we filed our response to Venezuela's first set of arguments, on March 16, 2015, Venezuela filed a reply on April 20, 2015 and, thereafter we filed our reply on April 30, 2015.

On June 25, 2015, the Luxembourg Court of Appeal stayed Venezuela's appeal of the October 28, 2014 order of the Chairman of the Tribunal d'arrondissement de et à Luxembourg granting the exequatur (recognition and execution) of the Award in Luxembourg, on the basis that the Paris Court of Appeal is scheduled to hear Venezuela's application to annul within a few months. The exequatur remains in full effect which means that we are free to proceed with seizure filings if and when we deem it appropriate.

Legal Activities in England

On May 19, 2015, we filed in the High Court (Queen Bench's Division - Commercial Court) an application for leave to enforce the Award pursuant to s. 101(2) of the Arbitration Act. In the English courts, such application is made by way of an Arbitration Claim Form (the "Claim"). On May 21, the Court granted leave to enforce the Award as a judgment or Order of the court, and entered judgment in the amount of the Award (the "Order and Judgment"). On September 25, 2015 (prior to formal service), Venezuela made an application to the Court for declarations that the Court had no jurisdiction over the Claim, and for Orders that (i) the Claim be set aside, (ii) service of the Claim (if any) be dismissed and (iii) the Order and Judgment be set aside (the "Jurisdiction Application").

The hearing for the Jurisdiction Application took place in London from January 18 to 20, 2016 and judgment was handed down on February 2, 2016. The Court dismissed the Jurisdiction Application and ordered that, among other things, Venezuela did not have sovereign immunity and we followed the correct procedure in relation to the Claim. On February 23, 2016, Venezuela filed an Appeal with the Court of Appeal. We have responded to the Appeal.

The parties have agreed by consent to extend the time for Venezuela to make any further application to set aside the Order and Judgment until 14 days following resolution of the Appeal of the Jurisdiction Application by Venezuela. We intend to continue to take all available steps to ensure that Appeal of the Jurisdiction Application is resolved as quickly as possible, and that any further application that Venezuela may make will be dealt with expeditiously, so that enforcement can proceed without further delay.

Our Intent to Distribute Collection of the Arbitral Award to Shareholders

Subject to applicable regulatory requirements regarding capital and reserves for operating expenses, accounts payable and income taxes, and any obligations arising as a result of the collection of the ICSID Award or sale of the Mining Data including payments pursuant to the terms of the 2018 Notes (if not otherwise converted), Interest Notes, CVRs, Bonus Plan and Retention Plan (all as defined herein) or undertakings made to a court of law, our current plans are to distribute to our shareholders, in the most cost efficient manner, a substantial majority of any net proceeds.

Obligations Due Upon Collection of Arbitral Award and Sale of Brisas Technical Mining Data

The Board of Directors (the "Board") approved a Bonus Pool Plan (the "Bonus Plan") in May 2012, which is intended to reward the participants, including executive officers, employees, directors and consultants, for their past and future contributions including their efforts related to the development of the Brisas Project, execution of the Brisas Arbitration and the collection of an award or sale of the Mining Data, if any. The bonus pool under the Bonus Plan will generally be 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. Participation in the Bonus Plan vests upon the participant's selection by the Committee of independent directors, subject to voluntary termination of employment or termination for cause. We also maintain the Gold Reserve Director and Employee Retention Plan (See Note 9 to the consolidated financial statements). Units (the "Retention Units") granted under the plan become fully vested and payable upon: (1) collection of proceeds from the Arbitral Award and/or sale of the Mining Data and we notify our shareholders that we will distribute a substantial majority of the proceeds to them or, (2) the event of a change of control. We currently do not accrue a liability for the Bonus or Retention Plan as events required for payment under the Plans have not yet occurred. An estimated \$1.8 million of contingent legal fees will also become due upon the collection of the Award.

The 2018 Notes can be redeemed at a price equal to 120% of the principal amount paid upon payment of the Award or receipt of proceeds from the disposition of the Mining Data, subject to certain limitations. We also have outstanding contingent value rights ("CVRs") which entitle each holder that participated in the note restructuring completed in 2012 to receive, net of certain deductions (including income tax calculation and the payment of our then current obligations), a pro rata portion of a maximum aggregate amount of 5.468% of the proceeds actually received by us with respect to the Award or disposition of the Mining Data related to the development of the Brisas Project. The proceeds, if any, could be cash, commodities, bonds, shares and/or any other consideration we received and if such proceeds are other than cash, the fair market value of such non-cash proceeds, net of any required deductions (e.g., for taxes) will be subject to the CVRs and will become our obligation only as the Arbitral Award is collected.

EXPLORATION PROSPECTS

LMS GOLD PROJECT

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the "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 a royalty interest with respect to (i) "Precious Metals" produced and recovered from the Property equal to 3% of "Net Smelter Returns" on such metals (the "Precious Metals Royalty") and (ii) "Base Metals" produced and recovered from the Property equal to 1% of Net Smelter Returns on such metals, provided that 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 Property consists of 36 contiguous State of Alaska mining claims covering 61 km² in the Goodpaster Mining District situated approximately 25 km north of Delta Junction and 125 km southeast of Fairbanks, Alaska and is accessible either by winter road or river boat providing year-round, non-helicopter support access. Several trails have been constructed providing surface access across the property.

The Property remains at an early stage of exploration and is the subject of a National Instrument 43-101 Technical Report entitled "Technical Report on the LMS Gold Project, Goodpaster Mining District, Alaska" dated February 19, 2016 prepared for us by Ed Hunter, BSc., P. Geo and Gary H. Giroux, M.A. Sc., P. Eng.

Financial Overview

Our overall financial position continues to be influenced by a number of significant historical events: the seizure of our mining project known as the Brisas Project by the Venezuelan government, the subsequent write-off of the accumulated Brisas Project development costs and impairment of the value of the equipment originally acquired for the Brisas Project, legal costs related to obtaining the Arbitral Award and efforts to enforce and collect it, interest expense related to Convertible Notes and our restructuring of outstanding debt in 2012, 2014 and 2015.

Recent operating results have primarily been shaped by expenses associated with the enforcement and collection of the Arbitral Award in various international jurisdictions, interest expense related to our debt and maintenance of our legal and regulatory obligations.

We have no commercial production and, as a result, continue to experience losses from operations, a trend we expect to continue unless we collect, in part or whole, the Arbitral Award, proceeds from the sale of the Mining Data and/or successfully develop the Brisas-Cristinas or LMS Gold Projects.

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 collection, if any, of the Award, sale of remaining Brisas Project related equipment, the timing of the conversion or maturity of the outstanding Convertible Notes and Interest Notes and/or future financings, if any. We have only one operating segment, the exploration and development of mineral properties.

Our efforts to address longer-term funding requirements may be adversely impacted by 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.

During the fourth quarter of 2015, we issued approximately \$13.4 million of New Notes and modified, amended and extended the maturity date of approximately \$43.7 million of Modified Notes. The terms of the agreement were finalized on November 30, 2015. The Modified Notes were amended to be consistent with the terms of the New Notes (as more fully described herein and in Note 10 to the consolidated financial statements).

Liquidity and Capital Resources

At March 31, 2016, the Company had cash and cash equivalents of approximately \$10.6 million which represents an increase from December 31, 2015 of approximately \$1.3 million. The net increase was due to proceeds of \$4.1 million from the issuance of common shares upon the exercise of stock options partially offset by cash used in operations as more fully described in the "Operating Activities" section below.

		<u>2016</u>		<u>Change</u>		<u>2015</u>
Cash and cash equivalents	\$	10,616,058	\$	1,265,166	\$	9,350,892

As of March 31, 2016, we had financial resources including cash, cash equivalents and marketable securities totaling approximately \$10.9 million, Brisas Project related equipment with an estimated fair value of approximately \$12.2 million (See Note 7 to the consolidated financial statements), short-term financial obligations including accounts payable and accrued expenses of approximately \$1.4 million and long-term indebtedness of approximately \$60.2 million face value.

We have no revenue producing operations at this time and our working capital position, cash burn rate and debt maturity schedule will require us to seek additional sources of funding to ensure our ability to continue our activities in the normal course. We are continuing our efforts to realize value from the remaining Brisas Project related assets and pursue a timely collection or settlement of the Arbitral Award and sale of the Mining Data. We may also initiate other debt and equity funding alternatives that may be available.

Operating Activities

Cash flow used in operating activities for the three months ended March 31, 2016 and 2015 was approximately \$2.6 million and \$1.6 million, respectively. Cash flow used in operating activities consists of net operating losses (the components of which are more fully discussed below) adjusted for non-cash expense items primarily related to accretion of convertible notes recorded as interest expense and certain non-cash changes in working capital.

Cash flow used in operating activities during the three months ended March 31, 2016 increased from the prior comparable period primarily due to increases in costs associated with collection and/or settlement efforts related to the Arbitral Award and increase in legal expense associated with additional regulatory filings.

Investing Activities

During the three months ended March 31, 2016, the company acquired the LMS Gold Project for \$350,000 and recorded proceeds from the disposition of marketable securities of \$48,300. The Company had no cash flows from investing activities during the first quarter of 2015. As of March 31, 2016, the Company held approximately \$12.2 million of Brisas project related equipment intended for future sale.

Financing Activities

During the three months ended March 31, 2016, certain directors, officers, employees and consultants exercised approximately 2.3 million expiring outstanding options at an exercise price of \$1.82. As a result, we received net proceeds from the exercise of approximately \$4.1 million. The Company had no cash flows from financing activities during the first quarter of 2015

Contractual Obligations

The following table sets forth information on the Company's material contractual obligation payments for the periods indicated as of March 31, 2016 (For further details see Note 10 to the consolidated financial statements):

	Payments due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	More Than 5 Years
Convertible Notes ¹	\$ 58,099,717	\$ -	\$ 57,057,717	\$ -	\$ 1,042,000
Interest Notes	22,679,177	-	22,679,177	-	-
Interest	372,515	57,310	114,620	114,620	85,965
	\$ 81,151,409	\$ 57,310	\$ 79,851,514	\$ 114,620	\$ 1,127,965

- 1 Includes \$57,057,717 principal amount of 2018 Notes and \$1,042,000 principal amount of 5.50% convertible notes due June 15, 2022 (The "2022 Notes" and, together with the 2018 Notes, the "Convertible Notes", which consists of convertible notes and interest notes from previous financings and restructurings in 2007, 2012 and 2014 as well as 2015. Subject to the terms of the Indenture governing the Convertible Notes, the Convertible Notes may be converted into our Class A common shares, redeemed or repurchased. During 2014 we extended the maturity date of approximately \$25.3 million notes from June 29, 2014 to December 31, 2015 and issued approximately \$12 million of new notes also maturing December 31, 2015. The interest paid on the extended notes was increased to 11% from 5.5% consistent with the interest paid on the new notes.

During 2015 we extended the maturity date of approximately \$43.7 million notes and interest notes from December 31, 2015 to December 31, 2018 and issued approximately \$13.4 million of additional notes also maturing December 31, 2018 (the "2015 Restructuring"). The amounts shown above include the principal payments due unless the notes are converted, redeemed or repurchased prior to their due date (See Note 10 to the consolidated financial statements).

The amount recorded as Convertible Notes and Interest Notes in the consolidated balance sheet as of March 31, 2016 is comprised of approximately \$39.0 million carrying value of 2018 Notes issued pursuant to the 2015 Restructuring, approximately \$1.0 million of previously issued 2022 Notes held by note holders who declined to participate in the note restructuring effected in 2012 and post restructuring Interest Notes of approximately \$2.1 million. The carrying value of Convertible Notes will be accreted to face value using the effective interest rate method over the expected life of the notes with the resulting charge recorded as interest expense.

Results of Operations

Summary Results of Operations

	2016	2015	Change
Other Income	\$ 44,921	\$ 16,602	\$ 28,319
Total Expenses	(4,967,215)	(3,728,933)	(1,238,282)
Net Loss	\$(4,922,294)	\$(3,712,331)	\$(1,209,963)

Consolidated net loss for the three months ended March 31, 2016 was approximately \$4.9 million representing an increase of \$1.2 million from the comparable period in 2015.

Other Income

	2016	2015	Change
Gain on disposition of marketable securities	\$ 48,300	\$ -	\$ 48,300
Interest	2,112	2	2,110
Foreign currency gain (loss)	(5,491)	16,600	(22,091)
	\$ 44,921	\$ 16,602	\$ 28,319

The Company has no commercial production at this time and, as a result, other income is typically variable from period to period. The change in other income was primarily due to gain on disposition of marketable securities partially offset by a decrease in foreign currency gain.

Expenses

The increase in legal and accounting expense during the first quarter of 2016 is primarily attributable to fees incurred in relation to additional regulatory filings associated with the restructuring of convertible notes in November 2015. Arbitration expense during the three months ended March 31, 2016 increased from the comparable period in 2015 by approximately \$0.9 million due to ongoing enforcement and collection efforts and increased efforts to settle the Arbitral Award, specifically the preparation of the agreements contemplated in the MOU. The increase in interest expense was due to the 2015 extension of the maturity date of the outstanding notes and the issuance of additional notes. Overall, total expenses for the three months ended March 31, 2016 increased by approximately \$1.2 million over the comparable period in 2015.

	2016	2015	Change
Corporate general and administrative	\$ 733,684	\$ 736,192	\$ (2,508)
Exploration	61,552	58,172	3,380
Legal and accounting	193,268	91,739	101,529
	988,504	886,103	102,401
Venezuelan operations	14,025	28,615	(14,590)
Arbitration	1,344,835	435,609	909,226
Equipment holding costs	209,467	198,239	11,228
Interest expense	2,410,384	2,180,367	230,017
	3,978,711	2,842,830	1,135,881
Total expenses	\$ 4,967,215	\$ 3,728,933	\$ 1,238,282

SUMMARY OF QUARTERLY RESULTS

Quarter ended	3/31/16	12/31/15	9/30/15	6/30/15	3/31/15	12/31/14	9/30/14	6/30/14
Other Income (loss)	\$44,921	\$(541,993)	\$(1,662)	\$(10,748)	\$16,602	\$(7,099,515)	\$(3,967)	\$(162,556)
Net loss								
before tax (1)	(4,922,294)	(6,389,066)	(3,581,046)	(4,453,454)	(3,712,331)	(10,616,891)	(7,792,138)	(4,347,337)
Per share	(0.06)	(0.08)	(0.05)	(0.06)	(0.05)	(0.14)	(0.10)	(0.06)
Fully diluted	(0.06)	(0.08)	(0.05)	(0.06)	(0.05)	(0.14)	(0.10)	(0.06)
Net loss (1)	(4,922,294)	(6,389,066)	(3,581,046)	(4,453,454)	(3,712,331)	(10,616,891)	(7,792,138)	(4,347,337)
Per share	(0.06)	(0.08)	(0.05)	(0.06)	(0.05)	(0.14)	(0.10)	(0.06)
Fully diluted	(0.06)	(0.08)	(0.05)	(0.06)	(0.05)	(0.14)	(0.10)	(0.06)

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

Other income (loss) in the first quarter of 2016 was primarily related to gain on disposition of marketable securities. Other income (loss) in the fourth quarter of 2015 was primarily due to the restructuring of the 2018 Notes and the impairment of marketable securities. Other income (loss) in the first and third quarters of 2015 was a result of foreign exchange gain (loss). Other income (loss) in the second quarter of 2015 primarily related to the sale of equipment. Other income (loss) in the fourth quarter of 2014 was primarily due to write down of property and equipment and loss on impairment of marketable securities. During the third quarter of 2014, other income (loss) consisted of foreign currency gains (losses), losses on marketable securities and interest income. In the second quarter of 2014 the loss was related to loss on debt restructuring due to the remaining unamortized discount on convertible notes prior to the restructuring.

Net loss in the first quarter of 2016 decreased after the loss had increased in the fourth quarter of 2015 due to the restructuring of the 2018 Notes. This 2016 decrease was partially offset by an increase in legal costs associated with efforts to settle the Arbitral Award. The decrease in net loss during the third quarter of 2015 was primarily due to a decrease in arbitration costs. The increase in net loss during the second quarter of 2015 was primarily due to increases in arbitration expense and accretion of Convertible Notes. Net loss increased in the fourth quarter of 2014 due to a write-down of property and equipment. In the third quarter of 2014 the loss increase was related to \$3.4 million in legal fees and \$0.7 million of non-cash stock option compensation expense related to the issuance of the Award. The increase in net loss during the second quarter of 2014 was primarily due to the restructuring of convertible notes and the write-off of mineral property.

Off-Balance Sheet Arrangements

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

Exhibit 99.3 Chief Executive Officer's Certification of Interim Filings

**Form 52-109F2
Certification of interim filings – full certificate**

I, Rockne J. Timm, Chief Executive Officer of Gold Reserve Inc., certify the following:

1. I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Gold Reserve Inc. (the “issuer”) for the interim period ended March 31, 2016.
2. Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
- 5.1 The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework.
- 5.2 N/A
- 5.3 N/A
6. The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2016 and ended on March 31, 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 11, 2016

/s/Rockne J. Timm

Rockne J. Timm
Chief Executive Officer

Exhibit 99.4 Chief Financial Officer's Certification of Interim Filings

Form 52-109F2

Certification of interim filings – full certificate

I, Robert A. McGuinness, Chief Financial Officer of Gold Reserve Inc., certify the following:

1. I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Gold Reserve Inc. (the “issuer”) for the interim period ended March 31, 2016.
2. Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
- 5.1 The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework.
- 5.2 N/A
- 5.3 N/A
6. The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2016 and ended on March 31, 2016 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 11, 2016

/s/Robert A. McGuinness
Robert A. McGuinness
Chief Financial Officer

