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 December 2015

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 Note Restructuring and Note Purchase Agreement
99.2 Fourth Supplemental Indenture
99.3 Security and Pledge Agreement
99.4 News Release

There are representations and warranties contained in the transaction documents furnished as exhibits to this report that were made by the parties to each other as of specific dates. The assertions embodied in the representations and warranties were made solely for purposes of these transaction documents and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the transaction documents' terms. Moreover, certain of these representations and warranties may not be accurate and complete as of any specified date because (i) they may be subject to contractual standards of materiality that differ from standards generally applicable to investors, or (ii) they may have been used to allocate risk among the parties rather than to establish matters as facts. Based on the foregoing you should not rely on the representations and warranties included in these documents as statements of factual information, whether about the Company (as defined below), any other persons, any state of affairs or otherwise.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

The information presented or incorporated by reference herein contains both historical information and "forward-looking statements" within the meaning of the relevant sections of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and "forward-looking information" within the meaning of applicable Canadian securities laws, that state Gold Reserve Inc.'s (the "Company") intentions, hopes, beliefs, expectations or predictions for the future. Forward-looking statements and forward-looking information are collectively referred to herein as "forward-looking statements".

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein and many of which are outside its control. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the timing of the enforcement and collection of the amounts awarded (including pre and post award interest and legal costs) (the "Arbitral Award") by the International Centre for Settlement of Investment Disputes for the losses caused by Venezuela violating the terms of the treaty between the Government of Canada and the Government of Venezuela for the Promotion and Protection of Investments related to the Brisas Project (the "Brisas Arbitration"), actions and/or responses by the Venezuelan government to the Company's collection efforts related to the Brisas Arbitration, economic and industry conditions influencing the sale of the Brisas Project related equipment, and conditions or events impacting the Company's ability to fund its operations and/or service its debt.

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 the Company's 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:

- the timing of the enforcement and collection of the Arbitral Award, if at all;
- the costs associated with the enforcement and collection of the Arbitral Award and the complexity and uncertainty of varied legal processes in various international jurisdictions;
- the Company's current liquidity and capital resources and access to additional funding in the future when required;

- continued servicing or restructuring of the Company's outstanding notes or other obligations as they come due;
- shareholder dilution resulting from restructuring or refinancing the Company's outstanding notes and current accounts payable relating to the Company's legal fees;
- shareholder dilution resulting from the conversion of the Company's outstanding notes in part or in whole to equity;
- shareholder dilution resulting from the sale of additional equity;
- value realized from the disposition of the remaining Brisas Project related assets, if any;
- value realized from the disposition of the Brisas Project Technical Mining Data, if any;
- prospects for exploration and development of other mining projects by the Company;
- ability to maintain continued listing on the TSX Venture Exchange or continued trading on the OTCQB;
- corruption, uncertain legal enforcement and political and social instability;
- currency, metal prices and metal production volatility;
- adverse U.S. and/or Canadian tax consequences;
- abilities and continued participation of certain key employees; and
- risks normally incident to the exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. See "Risk Factors" contained in the Company's Annual Information Form and Annual Report on Form 40-F filed on sedar.com and 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 the Company's 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 or furnished to the U.S. Securities and Exchange Commission (the "SEC") or other securities regulators or documents 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 the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Company's 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: December 2, 2015

GOLD RESERVE INC. (Registrant)

By: /s/ Robert A. McGuinness
Name: Robert A. McGuinness
Title: Vice President – Finance & CFO

EXECUTION VERSION

Gold Reserve Inc.
926 W Sprague Ave
Suite 200
Spokane, WA 99201

NOTE RESTRUCTURING AND NOTE PURCHASE AGREEMENT

As of November 30, 2015

TO: THE PARTIES SIGNATORY HERETO

Ladies and Gentlemen:

This Note Restructuring and Note Purchase Agreement (this "Agreement") is entered into between the undersigned, Gold Reserve Inc., a company incorporated under the laws of Alberta, Canada (the "Company"), each Person listed on Exhibit A hereto (each an "Existing Holder" and, solely for ease of reference, collectively the "Existing Holders") and each Person listed on Exhibit B hereto (each, a "New Notes Purchaser" and, solely for ease of reference, collectively the "New Notes Purchasers"). The Company, the Existing Holders and New Notes Purchasers may be referred to, collectively, as the "Parties" and the Existing Holders and New Notes Purchasers may be referred to, collectively, as the "Note Parties." Notwithstanding any collective reference to Existing Holders or New Notes Purchasers, each Existing Holder and New Notes Purchaser is acting separately in the exercise of its rights hereunder and all of its commitments and liabilities are undertaken on a several and not joint basis. All references herein to "$" shall mean U.S. Dollars.

WHEREAS, the Company has outstanding $1,042,000 aggregate principal amount of 5.50% Senior Subordinated Convertible Notes due June 15, 2022 (the "2022 Notes");

WHEREAS, the Company has outstanding $37,308,000 aggregate principal amount of 11% Senior Subordinated Convertible Notes due 2015, as set forth on Exhibit A, which includes notes previously modified (the "2015 Convertible Notes"), and $5,574,808 aggregate principal amount of 11% Senior Subordinated Interest Notes due 2015 (the "2015 Interest Notes" and, together with the 2015 Convertible Notes, the "Existing Notes"), as set forth on Exhibit A, issued as interest payments to the holders of 2015 Convertible Notes, 100% of which Existing Notes are held by the Existing Holders;

WHEREAS, the Company and the Existing Holders desire to further amend and restructure, and extend the maturity date of, the Existing Notes to modify certain terms thereof and to increase the principal amount of the Existing Notes outstanding by an amount equal to the aggregate principal amount of any accrued and unpaid interest on the Existing Notes to, but not including, the Closing Date (as defined below) ("Unpaid Interest") pursuant to the Restructuring Transaction (as defined below) (as so amended and restructured, the "Amended Notes");

WHEREAS, pursuant to the Restructuring Transaction, the Company desires to issue additional new notes to the Existing Holders in a principal amount set forth opposite the name of each Existing Holder on Exhibit C, which is equal to 2.5% of the sum of (i) the principal amount of the Existing Notes plus (ii) Unpaid Interest (the "Restructuring Fee Notes");

WHEREAS, simultaneously with the effectiveness of the Restructuring Transaction, the Company also desires to issue and sell up to $12,300,000 aggregate principal amount of New Notes (as defined herein) (together with the Amended Notes, the Restructuring Fee Notes and the 2018 Interest Notes, the "Notes"), with an original issue discount of 2.5% of the principal amount, to the New Notes Purchasers in the amounts set forth opposite the name of each New Notes Purchaser on Exhibit B (collectively, the "New Notes Sale");

WHEREAS, pursuant to the Restructuring Transaction and New Notes Sale, the Notes will be secured by a first lien on assets of the Company as provided in the Security Documents (as defined below);

WHEREAS, the holders of the Company's existing 5.465% contingent value rights ("CVRs") are set forth on Exhibit D ("CVR Holders"), some of whom are also Existing Holders;

WHEREAS, as a result of the Notes being secured pursuant to the Restructuring Transaction, the CVR Holders are entitled to have the CVRs secured on a *pari passu* basis with the Notes as provided in the Security Documents;

WHEREAS, the Board of Directors of the Company (the "Board") has unanimously determined that the Restructuring Transaction (which includes, for the avoidance of doubt, the modification of the Amended Notes and the issuance of the Restructuring Fee Notes) and the New Notes Sale (including the security interests granted in conjunction therewith), respectively, are in the best interests of the Company and its shareholders and has approved the Restructuring Transaction and the New Notes Sale, respectively.

NOW, THEREFORE, in consideration of the foregoing, the Company hereby agrees with the Note Parties as follows:

1. Restructuring Transaction.

1.1 The following transactions are, collectively, the "Restructuring Transaction":

(a) the Existing Notes shall remain outstanding and represent the same continuing indebtedness, subject to the amended terms set forth in the fourth supplemental indenture (the "Fourth Supplemental Indenture"), substantially in the form attached hereto as Exhibit E to the Indenture, dated as of May 18, 2007 (the "Original Indenture"), as amended and supplemented by the First Supplemental Indenture, dated as of December 4, 2012 (the "First Supplemental Indenture"), the Second Supplemental Indenture, dated as of June 18, 2014 (the "Second Supplemental Indenture") and the Third Supplemental Indenture, dated as of September 24, 2014 (the "Third Supplemental Indenture" and the Original Indenture, as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the "Indenture");

(b) the Amended Notes shall have substantially identical terms to the current terms of the 2015 Convertible Notes, except as follows:

(i) the maturity date will be extended to December 31, 2018;

(ii) the conversion ratio will be modified such that the Amended Notes may be convertible into the Company's Class A common shares, no par value (the " Class A Common Shares"), at a price of $3.00 per share (and, for the avoidance of doubt, the terms of the 2015 Interest Notes will be modified such that they are convertible into Class A Common Shares at the conversion ratio described in this clause (ii)); and

(iii) if any of the modified terms of the Amended Notes (and, for the avoidance of doubt, the terms of the New Notes, the Restructuring Fee Notes and the 2018 Interest Notes) are able to be amended or modified by the vote of holders of a simple majority in aggregate principal amount of outstanding Notes (rather than by each holder of the Notes), such term shall be amended or modified only by the vote of holders comprising at least 75% in aggregate principal amount of outstanding Notes, voting together as a single class; and

(c) the Company will issue the Restructuring Fee Notes in an aggregate principal amount which is equal to 2.5% of the sum of (i) the principal amount of the Existing Notes plus (ii) Unpaid Interest to the holders of the Existing Notes as a restructuring fee. The Restructuring Fee Notes will have substantially identical terms to the terms of the Amended Notes and will be issued at par. The aggregate principal amount of the Restructuring Fee Notes to be issued to each Holder in respect of its restructuring fee is set forth on Exhibit C.

1.2 Each Existing Holder, severally and not jointly, subject to the terms and conditions contained herein, commits to amend its Existing Notes as contemplated in Section 1.1. The aggregate principal amount of the Amended Notes to be issued to each Existing Holder in respect of its Existing Notes is set forth on Exhibit A and the aggregate principal amount of Restructuring Fee Notes to be issued to each Existing Holder is set forth on Exhibit C.

2. Purchase and Sale of New Notes. Subject to the terms and conditions of this Agreement, the Company will issue and sell to each New Notes Purchaser and each New Notes Purchaser will purchase from the Company, at the Closing provided for in Section 3, New Notes in the form of additional senior convertible secured notes due 2018 (the "New Notes") having the terms set forth in the Fourth Supplemental Indenture (which terms shall be substantially the same as the terms of the Amended Notes, except as to issue price and CUSIP/ISIN number), in the principal amount specified opposite such New Notes Purchaser's name in Exhibit B at the purchase price equal to 97.5% of the principal amount thereof. The obligations of each New Notes Purchaser under this Agreement are several and not joint with the obligations of any other New Notes Purchaser.

3. Closing. The closing of the Restructuring Transaction and the New Notes Sale (the "Closing") shall take place at the offices of Gold Reserve Inc., 926 W Sprague Ave, Suite 200, Spokane, WA 99201, at 10:00 am Pacific time, on the third Business Day following the satisfaction or waiver of the conditions set forth in Sections 4.1, 4.2, 4.3 and 4.4, or at such other time and place as the Parties may agree (the date on which the Closing occurs, the "Closing Date"); provided, however, that the Closing Date shall not, in any event, occur later than November 30, 2015 (the "Outside Date") without the prior consent of each Note Party. The Closing of each of the Restructuring Transaction and the New Notes Sale is contingent upon the simultaneous closing of the other.

4. Conditions Precedent

4.1 Condition Precedent of all Parties. The obligations of the Company and each Existing Holder to consummate the Restructuring Transaction and the obligations of the Company and each New Notes Purchaser to consummate the New Notes Sale at the Closing are subject to the condition that no statute, rule, regulation, executive order, decree, ruling or injunction has been enacted, entered, promulgated or endorsed by or in any court or Governmental Authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of the Restructuring Transaction or the New Notes Sale, as applicable.

4.2 Conditions Precedent to the Obligations of the Existing Holders in Connection with the Restructuring Transaction. The obligation of each Existing Holder to consummate the Restructuring Transaction is subject to the satisfaction or waiver of the following conditions:

(a) Certain Documents to be delivered to the Existing Holders. Each Existing Holder shall have received the following, each dated the Closing Date (unless a different date is indicated below), and each in form, scope and substance reasonably satisfactory to the Existing Holders:

(i) the Fourth Supplemental Indenture, duly executed by the Company and the applicable trustee(s);

(ii) the Security and Pledge Agreement, substantially in the form attached hereto as Exhibit F, duly executed by the Company, U.S. Bank National Association, as collateral agent (in such capacity, together with its successors and assigns, the "Collateral Agent"), and U.S. Bank National Association, as trustee (the "Security Agreement"); provided, that by executing this Agreement, each Existing Holder hereby (i) appoints the Collateral Agent to act on its behalf with respect to the Security Agreement, (ii) agrees that the terms of such Security Agreement will be binding on such Existing Holder and (iii) agrees to execute such additional instruments and filings as may be reasonably required to consummate the Restructuring Transaction on the terms set forth herein;

(iii) the filings and recordings necessary to create in favor of the Existing Holders, the New Note Purchasers and the CVR Holders, a valid and (upon such filing and recording) perfected first priority security interest as contemplated by the Security Agreement in the security given pursuant to the Security Agreement, including delivery of financing statements under the Uniform Commercial Code in appropriate form for filing in the District of Columbia and under the Personal Property Security Act (Alberta) in appropriate form for filing in the Province of Alberta (collectively, the "Security Filings" and, together with the Security Agreement, the "Security Documents");

(iv) certified copies of the resolutions of the Board approving this Agreement, the Restructuring Transaction, the Fourth Supplemental Indenture, the Security Documents and certified copies of all documents evidencing other reasonably necessary corporate action and governmental approvals, if any, with respect to the Restructuring Transaction, including the written consent by holders of an aggregate of 32,288,669 Class A Common Shares approving the Restructuring Transaction and certain related matters (the "Written Consent");

(v) a certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign this Agreement, the Fourth Supplemental Indenture and the other documents to be delivered hereunder;

(vi) certified copies of the Articles of Continuance (certified by the applicable authorities in the Province of Alberta) dated within 10 Business Days of the Closing Date or such earlier date as is reasonable, and bylaws, each as amended to date, of the Company;

(vii) a legal opinion of (i) Baker & McKenzie LLP in a form to be agreed by the Parties, acting reasonably, and (ii) Norton Rose Fulbright Canada LLP in a form to be agreed by the Parties, acting reasonably (in each case consistent with the opinions in the 2014 restructuring with appropriate revisions for the transactions contemplated herein (*e.g.*, customary opinions regarding security interests, liens and related matters));

(viii) an Officer's Certificate certifying as to the matters addressed in clauses 4.2(b)-(e); and

(ix) such other documents, agreements or information as an Existing Holder may reasonably request.

(b) Representations and Warranties. The representations and warranties of the Company set forth herein shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date (unless such representation or warranty speaks only as of a certain date, in which case such representation and warranty need only be true and correct as of such date in all material respects).

(c) Covenants. The Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by it on or prior to the Closing Date.

(d) No Litigation. No proceeding, investigation, action or order shall be pending or threatened by any Governmental Authority or self-regulatory organization, nor shall any litigation have been initiated which, if determined in an adverse manner, would materially impair the ability of the Restructuring Transaction to be completed.

(e) CUSIP Numbers. The Company shall have obtained a CUSIP number for the Amended Notes and the Restructuring Fee Notes and shall have requested a CUSIP number for the 2018 Interest Notes.

4.3 Conditions Precedent to the Obligations of the New Notes Purchasers in Connection with the New Notes Sale. The obligation of each New Notes Purchaser to consummate the New Notes Sale is subject to the satisfaction or waiver of the following conditions (but only to the extent such conditions are not otherwise satisfied pursuant to Section 4.2):

(a) Certain Documents to be delivered to the New Notes Purchasers. Each New Notes Purchaser shall have received the following, each dated the Closing Date (unless a different date is indicated below), and each in form, scope and substance reasonably satisfactory to the New Notes Purchasers:

(i) the Fourth Supplemental Indenture, duly executed by the Company and the applicable trustee(s);

(ii) the Security Agreement; provided, that by executing this Agreement, each New Notes Purchaser hereby (i) appoints the Collateral Agent to act on its behalf with respect to the Security Agreement, (ii) agrees that the terms of such Security Agreement will be binding on such New Notes Purchaser and (iii) agrees to execute such additional instruments and filings as may be reasonably required to consummate the New Notes Sale on the terms set forth herein;

(iii) Security Filings;

(iv) certified copies of the resolutions of the Board approving this Agreement, the New Notes Sale, the Fourth Supplemental Indenture, and certified copies of all documents evidencing other reasonably necessary corporate action and governmental approvals, if any, with respect to the New Notes Sale, including the Written Consent;

(v) a certificate of the Secretary or an Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to sign the Agreement, the Fourth Supplemental Indenture and the other documents to be delivered hereunder;

(vi) certified copies of the Articles of Continuance (certified by the applicable authorities in the Province of Alberta) dated within 10 Business Days of the Closing Date or such earlier date as is reasonable, and bylaws, each as amended to date, of the Company;

(vii) a legal opinion of (i) Baker & McKenzie LLP in a form to be agreed by the Parties, acting reasonably, and (ii) Norton Rose Fulbright Canada LLP in a form to be agreed by the Parties, acting reasonably (in each case consistent with the opinions in the 2014 restructuring with appropriate revisions for the transactions contemplated herein (*e.g.*, customary opinions regarding security interests, liens and related matters));

(viii) an Officer's Certificate certifying as to the matters addressed in clauses 4.3(b)-(d) and (f); and such other documents, agreements or information as a New Notes Purchasers may reasonably request.

(b) Representations and Warranties. The representations and warranties of the Company set forth herein shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date (unless such representation or warranty speaks only as of a certain date, in which case such representation and warranty need only be true and correct as of such date in all material respects).

(c) Covenants. The Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by it on or prior to the Closing Date.

(d) No Litigation. No proceeding, investigation, action or order shall be pending or threatened by any Governmental Authority, regulatory authority or self-regulatory organization, nor shall any litigation have been initiated which, if determined in an adverse manner, would materially impair the ability of the New Notes Sale to be completed.

(e) Sale of New Notes. Contemporaneously with the Closing, the Company shall sell to each New Notes Purchaser and each New Notes Purchaser shall purchase the New Notes to be purchased by it at the Closing as specified in Exhibit B.

(f) New Notes. The Company shall have obtained a CUSIP number for the New Notes and shall have requested a CUSIP number for the 2018 Interest Notes.

4.4 Conditions Precedent of the Company to the Restructuring Transaction and New Notes Sale. The obligations of the Company to consummate the Restructuring Transaction and the New Notes Sale, respectively, are subject to the satisfaction or waiver of the following conditions:

(a) Certain Documents to be Delivered to the Company. The Company shall have received the following, each dated the Closing Date (unless a different date is indicated below), and each in form, scope and substance reasonably satisfactory to the Company:

(i) from each Note Party, a completed and duly executed Accredited Investor Questionnaire in the form set forth on Exhibit G hereto;

(ii) from each Existing Holder, a completed and duly executed Form of Acceptance in the form attached hereto, which Form of Acceptance shall be considered the complete consent of such Existing Holder to the Restructuring Transaction, the New Notes Sale, and all of the transactions contemplated by this Agreement or the Indenture, and which consent shall be considered an amendment to, and approval of, the Fourth Supplemental Indenture, substantially in the form set forth on Exhibit E hereto;

(iii) from each Note Party resident in or otherwise subject to the Canadian Securities Laws, a completed and duly executed Representation Letter in the form set forth on Exhibit H hereto;

(iv) from each Note Party resident in or otherwise subject to the Canadian Securities Laws who initials category (j), (k) or (l) of the definition of "accredited investor" set forth on Appendix A of Exhibit H hereto, a completed and duly executed Form for Individual Accredited Investors in the form set forth on Exhibit I hereto; and

(v) such other documents, agreements or information as the Company may reasonably request.

(b) Delivery of Existing Notes and Payment of Purchase Price for New Notes. Each Existing Holder shall have delivered to the Company its Existing Notes and each New Notes Purchaser shall have delivered, in immediately available funds, the purchase price for the New Notes to be purchased by such New Notes Purchaser, in each case in accordance with the written instructions of the Company.

(c) Representations and Warranties. The representations and warranties of each Existing Holder and New Notes Purchaser set forth herein shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date (unless such representation or warranty speaks only as of a certain date, in which case such representation and warranty need only be true and correct as of such date in all material respects).

(d) Covenants. Each Note Party shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by it on or prior to the Closing Date.

5. Affirmative Covenants.

5.1 Publicity. Prior to the Closing, the Company, at its discretion, may make public announcements regarding the Restructuring Transaction and/or the New Notes Sale. Prior to making any public announcement regarding the Restructuring Transaction and/or the New Notes Sale, the Company will provide each Note Party a reasonable opportunity to review and comment on such public announcements and cooperate with each Note Party in good faith to incorporate any reasonable comments by such Note Party. Subject to the foregoing sentence, nothing in this Agreement shall limit the Company's obligation to make, or prohibit the Company from making, any announcements required by Applicable Law or any self-regulatory organization, including the SEC. Prior to the Closing, none of the Note Parties shall make any public announcement regarding the Restructuring Transaction and/or the New Notes Sale, as applicable, except (a) as may be required by Applicable Law with respect to the Restructuring Transaction, in which case the Note Party proposing to issue such press release or make such public announcement shall use its reasonable best efforts to consult in good faith with the Company before making any such public announcements and (b) a Note Party may file applicable reports and statements with any applicable Governmental Authority or self-regulatory organization, including the SEC. On or before the first Business Day following execution of this Agreement, the Company shall publicly disclose the material terms hereof in compliance with all applicable securities regulations.

5.2 Transfer Restrictions. Each Existing Holder agrees not to sell, transfer, pledge, encumber or otherwise dispose of, directly or indirectly, any Existing Notes held by it other than pursuant to this Agreement; provided, that the foregoing restriction shall cease to apply on the first Business Day following the earlier to occur of the Outside Date or the Closing Date. Notwithstanding the foregoing, liens attached to Existing Notes by virtue of a prime broker's lien on account assets pursuant to a prime brokerage agreement shall not be deemed to violate this Section 5.2.

5.3 Registration. The Company shall, in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder, prepare and file with the SEC a shelf registration statement on Form F-1 or Form F-3 or other suitable or successor form (the "Shelf Registration Statement") providing for the resale from time to time by the holders of any (i) Amended Notes, (ii) New Notes, (iii) Restructuring Fee Notes, (iv) Class A Common Shares issuable upon conversion of the Amended Notes, the New Notes or the Restructuring Fee Notes and (v) to the extent not already covered by an effective shelf registration statement on Form F-3 or another suitable or successor form, Class A Common Shares held by Greywolf Capital Management, L.P. and/or one or more affiliated entities, within 45 days following the Closing Date (the "Shelf Registration Filing Deadline Date"), and thereafter use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective by the SEC as promptly as possible, and in any event within 180 days following the date of filing such Shelf Registration Statement with the SEC. The failure by the Company to cause the Shelf Registration Statement to be filed on or prior to the Shelf Registration Filing Deadline Date shall be a breach of this Restructuring Agreement and the Company shall pay to each Holder, as liquidated damages and not a penalty, a *pro rata* portion of the Registration Liquidated Damages, such *pro rata* portion calculated by a fraction, the numerator of which is the aggregate principal amount of a Holder's holdings of Amended Notes, Restructuring Fee Notes and/or New Notes, and the denominator of which is the aggregate principal amount of all Amended Notes, Restructuring Fee Notes and New Notes, taken together; provided, that payments of any Registration Liquidated Damages owing due to the Company's failure to file the Shelf Registration Statement with the SEC on or prior to the Shelf Registration Filing Deadline Date shall be made on the earlier to occur of (A) the date on which the Shelf Registration Statement is filed with the SEC and (B) every 10th Business Day from the Shelf Registration Filing Deadline Date through the date on which the Shelf Registration Statement is filed with the SEC; provided, further, that the Shelf Registration Filing Deadline Date shall be extended, and no Registration Liquidated Damages shall accrue during the period of such extension, for so long as the filing by the Company of the Shelf Registration Statement is delayed as a result of the failure by any holder of Amended Notes, Restructuring Fee Notes and/or New Notes to promptly provide any information or to take any action, in each instance reasonably and timely requested by the Company in writing in furtherance of the filing of the Shelf Registration Statement. In addition, the Company shall use commercially reasonable efforts to make (i) the Amended Notes, the Restructuring Fee Notes and the New Notes eligible for clearance and settlement through DTC on or prior to the date of effectiveness of the Shelf Registration Statement and (ii) the 2018 Interest Notes eligible for clearance and settlement through DTC prior to the date 2018 Interest Notes are issued in connection with a regular interest payment date.

5.4 Right of First Refusal. The Existing Noteholders and the New Note Purchasers (and not any transferees thereof, other than affiliates of any of such parties) shall have a right of first refusal with respect to any future equity (or equity linked) or debt financing of the Company, including but not limited to any debtor-in-possession financing, on a *pro rata* basis based on the amount of Class A Common Shares such Note Party holds, including Class A Common Shares issuable upon conversion of convertible securities (including for the avoidance of doubt the Amended Notes, the Restructuring Fee Notes and the New Notes), and the Company shall provide reasonable advance notice of any such contemplated transaction and the terms thereof (and provide copies of all relevant documentation thereto) and otherwise provide adequate time for the Note Parties to determine whether to elect to exercise their right of first refusal with respect to such financing.

5.5 Use of Proceeds and Future Distributions. Subject to applicable regulatory requirements regarding capital and reserves for operating expenses and taxes, the Company agrees to distribute to its shareholders a substantial majority of the Award Proceeds constituting cash and cash equivalents received in connection with the Arbitration Proceedings (including, for the avoidance of doubt, cash and cash equivalents received from the liquidation or other monetization of non-cash proceeds received as a result of the Arbitration Proceedings) and/or the sale of any related mining data promptly following each receipt (if more than one) thereof; provided, that the Company shall be under no obligation to distribute any such Award Proceeds constituting cash or cash equivalents that are received in connection with the Arbitration Proceedings or sale of mining data that are necessary or required to pay or satisfy (x) contractual, operating and other current and working capital expenses in the ordinary course, (y) tax obligations (including corporate income tax) specific to or arising as a result of the Award and/or any Award Proceeds, or the sale or other disposition of mining data and/or any proceeds therefrom, and/or (z) any Current Payment Obligations. "Current Payment Obligations" shall mean amounts payable under any financing in place at the relevant time (including, as applicable, the Notes and any refinancing thereof), CVRs or similar obligations and amounts under any compensatory or change of control arrangements (whether employees, officers, directors or consultants and whether cash or equity-related) that are in effect on the date hereof or entered into after the date hereof in the ordinary course of business consistent with past practice.

5.6 Option Exercise. The Company agrees to use its commercially reasonable efforts to work with the Senior Management Optionholders to exercise such Senior Management Optionholder's Options that expire in January 2016, provided that such Options are not "out of the money" at the time of exercise, sufficient market liquidity exists to permit disposition of the underlying Class A Common Shares and adequate cash on hand is available to such Optionholders to enable to pay taxes resulting from such Option exercises and without their incurring any debt to do so.

5.7 Proceeds Account. (a) The Company agrees that Award Proceeds constituting cash and cash equivalents ("Cash Proceeds") in an amount equal to the sum of (i) an amount equal to 120% of the outstanding principal amount of the Notes then outstanding plus accrued and unpaid interest, if any, to, but excluding, the date on which all Notes will be repaid in accordance with their terms and (ii) any amounts due to the CVR Holders under the terms of the CVRs as a result of the receipt of such Cash Proceeds, shall be deposited into a separate joint deposit account with the Collateral Agent at a bank that is acceptable to the Majority Holders (the "Proceeds Account"). The Company shall enter into a deposit account control agreement with respect to the Proceeds Account in form and substance reasonably satisfactory to the Majority Holders as soon as practicable and, in any event within 30 days, following the Closing, which deposit account control agreement shall provide that the Collateral Agent shall have exclusive control of the Proceeds Account at any time that an Event of Default (as defined in the Indenture) has occurred and is continuing under the Indenture, after giving effect to applicable notice and cure periods, or an event of default under the CVRs has occurred and is continuing; provided, that, with respect to any event of default under the CVRs, the Company shall have 10 Business Days to cure any such default following receipt of notice thereof from a CVR Holder.

(b) For the avoidance of doubt, but subject in all respects to Section 5.7(c), (i) all Cash Proceeds shall be deposited in the Proceeds Account until it holds all amounts provided for in this Section 5.7 (and, subject to (ii) below, shall remain in such account until the Notes and CVRs have been paid in full) and (ii) if, and only if, other Company funds are unavailable, funds from the Proceeds Account shall be disbursed to ensure the Company is paying its obligations as they come due and, in any event, to ensure payment of the Current Payment Obligations and Collateral Agent shall provide any required approvals in that regard under the deposit account control agreement. Further, nothing in this provision shall be deemed or construed to create a priority for payment of the Notes or CVRs. The Notes and CVRs shall be paid in accordance with the terms of the Indenture and the CVRs.

(c) Notwithstanding Sections 5.7(a) and (b), the Company shall have the option to effect the Defeasance of the Notes and CVRs upon five (5) Business Days' notice to the Collateral Agent and holders of Notes and CVRs on the following terms and conditions: (i) the Company has complied with its other obligations in this Section 5.7 to date and has Sufficient Funds in the Proceeds Account; (ii) the Company has complied with its obligation to offer to redeem the Notes in accordance with Section 13.08 of the Indenture and the terms of the Notes (the "Award Redemption"); and (iii) holders of a majority in the aggregate principal amount of the then outstanding Notes have notified the Company that they elect not to have some or all of the Notes held by them so redeemed, such that a majority in the aggregate principal amount of the Notes remain outstanding following completion of the transactions contemplated by the Award Redemption.

(d) Following Defeasance of the Notes and the CVRs, (i) the Company shall no longer be able to utilize the funds in the Proceeds Account for payment of obligations, other than payment obligations in respect of the Notes and the CVRs in accordance with their terms, (ii) following conversion of any Notes in accordance with the terms of the Indenture and such Notes, the portion of Cash Proceeds held for repayment of principal and interest on such Notes in accordance with their terms shall be released from the Proceeds Account and (iii) the collateral securing repayment of the Notes and the CVRs shall be released, and the Notes and the CVRs shall no longer be secured, and the holders of the Notes party hereto agree to take such action as reasonably required in connection with such release; *provided*, however, that at the time of a Defeasement within the meaning of clause (i) of the definition of such term, the security interest shall be released as to all collateral other than the collateral consisting of the Sufficient Funds in the Proceeds Account until such time, if any as a Defeasement within the meaning of clause (ii) of the definition of such term occurs, upon the occurrence of which the security interest in the remaining collateral in the Proceeds Account shall also be released.

5.8 Cost Cutting Measures. The Company agrees to use its commercially reasonable best efforts to reduce its "Total General and Administrative," "Legal" and "Accounting" expenses as such terms are used with reference to the line items in the Company's financial statements by at least $200,000 in total from the aggregate of approximately $3.2 million in such expenses budgeted for the 2015 fiscal year in the 2016 fiscal year and to maintain such reduced expenditures to a total of no more than $3.0 million for each subsequent fiscal year through the 2018 fiscal year.

5.9 Limitation on Sale, Transfer, etc. of Assets. The Company agrees not to sell, transfer, pledge, encumber or otherwise dispose of, directly or indirectly, including to any subsidiary, prior to repayment in full of the Notes and all obligations in respect thereof (i) the Award or any Award Proceeds or (ii) any mining data, in each case, without the consent of the Majority Holders; provided, that such consent may not be unreasonably withheld, denied or delayed; provided, further, that nothing in this Section 5.9 shall prohibit the Company from using Award Proceeds to make any payments permitted under this Agreement, including under Sections 5.5 and 5.7, including as to paying obligations as they come due, taxes and Current Payment Obligations; and provided, further, that in connection with obtaining such consent, the Company shall have provided to the Majority Holders certificates of the type contemplated by Section 3.2(c) of the Security Agreement.

6. Events of Default; Termination.

6.1 Events of Default of the Company. The occurrence of any of the following shall constitute an Event of Default with respect to the Company:

(a) the Company fails to perform or observe any agreement, covenant, term or condition contained herein, and such failure, if able to be remedied, continues unremedied for a period of five days (or such shorter amount of time remaining prior to the Closing Date) after written notice thereof is given by the Majority Holders to the Company (and the Majority Holders have not subsequently agreed to waive such Event of Default, in their sole discretion);

(b) the Company makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due;

(c) any decree or order for relief in respect of the Company is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (the "Bankruptcy Law"), of any jurisdiction;

(d) the Company petitions or applies to any Tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company, or of any substantial part of the assets of the Company, or commences a voluntary case under the Bankruptcy Law of the United States or any other jurisdiction or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a wholly-owned Subsidiary) relating to the Company under the Bankruptcy Law of any other jurisdiction;

(e) any such petition or application is filed, or any such proceedings are commenced, against the Company and the Company by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(f) any order, judgment or decree is entered in any proceedings against the Company decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 30 days.

6.2 Events of Default of a Note Party. The occurrence of any of the following shall constitute an Event of Default with respect to each Note Party:

(a) such Note Party fails to perform or observe any agreement, covenant, term or condition contained herein, and, if able to be remedied, such failure continues unremedied for a period of five days (or such shorter amount of time then remaining prior to the Closing Date) after written notice thereof is given such Note Party;

(b) such Note Party makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due;

(c) any decree or order for relief in respect of such Note Party is entered under any Bankruptcy Law of any jurisdiction;

(d) such Note Party petitions or applies to any Tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Note Party, or of any substantial part of the assets of such Note Party, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Subsidiary) relating to such Note Party under the Bankruptcy Law of any other jurisdiction;

(e) any such petition or application is filed, or any such proceedings are commenced, against such Note Party and that Note Party by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(f) any order, judgment or decree is entered in any proceedings against such Note Party decreeing the dissolution of that Note Party and such order, judgment or decree remains unstayed and in effect for more than 30 days.

6.3 Termination by Mutual Consent. This Agreement may be terminated at any time prior to the Closing Date by the written consent of the Company and the Majority Holders.

6.4 Termination by the Company. This Agreement may be terminated by the Company at any time prior to the Closing Date by the Company with respect to any individual Existing Holder or a New Notes Purchaser upon the occurrence of an Event of Default by such Note Party. If the Company terminates this Agreement with respect to any Existing Holder or New Notes Purchaser, the Company shall immediately notify the other Note Parties. Any such termination shall not affect the obligations of other Note Parties.

6.5 Termination by an Existing Holder or New Notes Purchaser. This Agreement may be terminated at any time prior to the Closing Date by the Note Parties as follows: (i) by the Majority Holders upon the occurrence of an Event of Default of the Company set forth in Section 6.1(a); (ii) by any Existing Holder or New Notes Purchaser upon the occurrence of an Event of Default of the Company set forth in Section 6.1(b) – (f); (iii) by any Existing Holder or New Notes Purchaser with respect to such Existing Holder or New Notes Purchaser if the Company terminates this Agreement with respect to any other Existing Holder or New Notes Purchaser pursuant to Section 6.4; or (iv) by any Existing Holder or New Notes Purchaser if the Closing of the Restructuring Transaction and the New Notes Sale has not occurred by the Outside Date. Any such termination shall not affect the liability of the breaching Party.

7. Representations, Covenants And Warranties of the Company. The Company represents, covenants and warrants as follows:

7.1 Organization; Power and Authority. The Company is a corporation duly organized and validly existing in good standing under the laws of Alberta, Canada, and is duly licensed and in good standing as a foreign corporation in each jurisdiction in which the nature of the business transacted or the property owned is such as to require licensing or qualification as a foreign corporation. As of the date hereof, the Board has approved this Agreement and all of the transactions contemplated hereby, and the Company has taken all necessary corporate action required for the due authorization, execution, delivery and performance by it of this Agreement and all of the transactions contemplated hereby, other than any filings related to the Security or actions to be taken at Closing. The Company has the power and authority to execute and deliver this Agreement and each document contemplated hereby and to perform its obligations hereunder and thereunder. This Agreement has been duly executed and delivered by the Company as of the date hereof and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect that affect creditor's rights generally and by legal and equitable limitations on the availability of specific remedies, and each other document contemplated hereby to be executed by the Company has been, or will be prior to the Closing Date, duly executed and delivered by the Company and constitutes, or will constitute prior to or on the Closing Date, a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect that affect creditor's rights generally and by legal and equitable limitations on the availability of specific remedies. All consents, approvals and authorizations required on the part of the Company in connection with the execution, delivery and performance of this Agreement have been obtained and are effective as of the date hereof or will be as of Closing, and all consents, approvals and authorizations required on the part of the Company in connection with each document contemplated hereby have been obtained and will be effective as of the Closing Date or will be as of Closing. The entry by the Company into this Agreement and each document contemplated hereby, or entered into contemporaneously herewith, has not, and the performance of its obligations hereunder and thereunder will not, violate or conflict with or result in any breach or default under the organizational documents of the Company, any agreement or instrument to which it or any of its subsidiaries or any of their assets are bound, or any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to the Company or any of its subsidiaries. Notwithstanding anything to the contrary in this Agreement, the Company makes no representations or warranties as to its CVRs for which it has not received signed acknowledgements from CVR Holders prior to the date hereof or at Closing.

7.2 Securities to be Issued to the Existing Holders and New Notes Purchasers. The Securities amended and/or issued pursuant this Agreement (including the 2018 Interest Notes to be issued in connection with the Company's obligation to pay interest on, and any Class A Common Shares issuable upon conversion of, the Amended Notes, the Restructuring Fee Notes and New Notes (the "Conversion Shares")) have been duly authorized by the Company and will be, upon execution or issuance, duly authorized and validly issued or valid and binding obligations of the Company, as applicable, enforceable in accordance with their respective terms and the Conversion Shares, when issued in accordance with the terms of the Amended Notes, the Restructuring Fee Notes or the New Notes, as applicable (including surrender of outstanding Notes in accordance with their terms), will be issued as fully paid and non-assessable Class A Common Shares.

7.3 Brisas Project. There is no information regarding the Arbitration Proceeding that has not been publicly disclosed that could have a material adverse impact on the Company or its prospects.

7.4 Regulatory Approval. The TSXV has approved the Restructuring Transaction and the New Notes Sale subject only to the satisfaction of the conditions set forth in the approval letters from the TSXV to the Company, dated October 7, 2015 (the "TSXV Conditional Approval Letters"), and it has not indicated that it will object to or challenge the Restructuring Transaction or the New Notes Sale or that any other approvals are required in respect therewith. No approvals are required from any other Governmental Authority in connection with the Restructuring Transaction or the New Notes Sale.

7.5 Broker Fees. The Company has not entered into any contract, arrangement or understanding with any Person which may result in the obligation of the Company to pay any finder's fees, brokerage or other like payments in connection with the negotiations leading to this Agreement or the consummation of the Restructuring Transaction or the New Notes Sale, respectively.

7.6 Capitalization. The authorized capital stock of the Company consists solely of an unlimited number of Class A Common Shares, of which 76,207,647 Class A Common Shares are issued and outstanding as of the date hereof, an unlimited number of Class B common shares, no par value, of which none are outstanding on the date hereof, and an unlimited number of preferred shares, of which none are outstanding as of the date hereof. All the outstanding share capital of the Company has been duly and validly authorized and issued and is fully paid and non-assessable and is not subject to any pre-emptive or similar rights. Except as described in or expressly contemplated by this Agreement (including with respect to the 2022 Notes and the Existing Notes), there are no outstanding rights (including, without limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any capital stock or other equity interest in the Company or any subsidiary of the Company, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock or any other securities of the Company or such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; and all the outstanding share capital or other equity interests of the subsidiaries have been duly and validly authorized and issued, are fully paid and non-assessable (except, in the case of any foreign subsidiary, for directors' qualifying shares) and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party.

7.7 General Solicitation and Advertisement. No form of general solicitation or general advertising within the meaning of Regulation D under the Securities Act ("Regulation D") (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising) was used by the Company or any of its representatives in connection with the offering of the Amended Notes, Restructuring Fee Notes or the New Notes pursuant to the Restructuring Transaction or the New Notes Sale, respectively.

7.8 Listing and Compliance with Securities Law; Public Filings.

(a) The Class A Common Shares are listed and posted for trading on the TSXV and, except as referred to in the letter from the TSXV to the Company, dated September 16, 2015 (the "Listing Review Letter"), the Company is in compliance with the rules and regulations of the TSXV in all material respects. The Company is not subject to regulation by any other stock exchange. The Company is a "reporting issuer" or the equivalent thereof in each of the provinces of Canada (the "Reporting Jurisdictions") and is not in default under the applicable securities laws of each of the Reporting Jurisdictions and the respective regulations and rules made under those securities laws together with all applicable policy statements, blanket orders and rules of the applicable securities commission or securities regulatory authorities in each of the Reporting Jurisdictions (the "Canadian Securities Commissions") and all discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Agreement and the Transaction Documents (collectively, the "Canadian Securities Laws"). Except as provided in the Listing Review Letter, no delisting, suspension of trading in or cease trading order with respect to any securities of the Company and to the knowledge of the Company, no inquiry or investigation (formal or informal) of any Canadian Securities Commission or the TSXV is in effect or ongoing or expected to be implemented or undertaken. The Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the Canadian Securities Commissions and the TSXV pursuant to the reporting requirements of the Securities Laws and the rules and regulations of the TSXV (all of the foregoing including filings incorporated by reference therein being referred to herein as the "Public Disclosure Documents"). At the times of their respective filings, the Public Disclosure Documents complied in all material respects with the requirements of the Securities Laws and the rules and regulations of the TSXV and did not contain any misrepresentation (as defined in the Securities Act (Ontario)). As of their respective dates, the financial statements of the Company included in the Public Disclosure Documents complied as to form in all material respects with the Canadian Securities Laws and all other published rules and regulations of the TSXV. Such financial statements have been prepared in accordance with accounting principles generally accepted in the United States applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements), and fairly present in all material respects the financial position of the Company and its Subsidiaries on a consolidated basis as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(b) The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and in Rule 405 under the Securities Act. The Company files reports with the SEC pursuant to Section 13 of the Exchange Act and the rules promulgated thereunder. In the last 12 months the Company has filed all reports required to be filed by it under the Exchange Act on a timely basis or has received a valid extension of such time of filing and has filed any such reports prior to the expiration of any such extension. As of their respective dates, such reports complied in all material respects with the applicable requirements of the Exchange Act and did not, when filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they were made, not misleading.

7.9 No Shareholder Approval. Except as has already been obtained pursuant to the Written Consent, the consummation by the Company of the Restructuring Transaction and the New Notes Sale, and the entrance by the Company into this Agreement and each document contemplated hereby or thereby (including, for the avoidance of doubt, the issuance of Conversion Shares upon any conversion of the Amended Notes) does not require the approval of the Company's shareholders.

7.10 No Conflicts. The Company has complied with its obligations under the Indenture, including, for the avoidance of doubt, the offer requirements of Section 12.15 thereunder.

8. Representations, Covenants and Warranties of the Existing Holders and New Notes Purchasers. Each Existing Holder and New Notes Purchaser, severally and not jointly, represents and warrants as follows with respect to itself:

8.1 Organization; Power and Authority. Such Note Party is an individual or an entity duly organized and validly existing in good standing under the laws of its state of organization. This Agreement and all of the transactions contemplated hereby have been approved by the requisite governing person or body of such Note Party, to the extent applicable and required, and such Note Party has taken all necessary action required for the due authorization, execution, delivery and performance by it of this Agreement and the transactions contemplated hereby. Such Note Party has the power and authority to execute and deliver this Agreement and each document contemplated hereby to be executed by it and to perform its obligations hereunder and thereunder. This Agreement has been duly executed and delivered by such Note Party as of the date hereof and constitutes a valid and binding obligation of such Note Party, enforceable against such Note Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect that affect creditor's rights generally and by legal and equitable limitations on the availability of specific remedies, and each document contemplated hereby to be executed by it has been, or will be prior to the Closing Date, duly executed and delivered by such Note Party and constitutes, or will constitute prior to the Closing Date, a valid and binding obligation of such Note Party, enforceable against such Note Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect that affect creditor's rights generally and by legal and equitable limitations on the availability of specific remedies. All consents, approvals and authorizations required on the part of such Note Party, if any, in connection with the execution, delivery and performance of this Agreement have been obtained and are effective as of the date hereof, and all consents, approvals and authorizations required on the part of such Note Party, if any, in connection with each document contemplated hereby have been obtained and will be effective as of the Closing Date. The entry by such Note Party into this Agreement and each document contemplated hereby has not, and the performance of its obligations hereunder will not, violate or conflict with or result in any breach or default under the organizational documents of such Note Party, any agreement or instrument to which it or any of its assets are bound, or any laws, regulations or governmental or judicial decrees, injunctions or orders applicable to such Note Party.

8.2 Investment.

(a) Such Note Party is an "accredited investor" (as defined in Rule 501(a) of Regulation D under the Securities Act acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also "accredited investors") (and, if resident in New York State, also a "Qualified Purchaser") and with respect to any Note Party resident in or otherwise subject to the Canadian Securities Laws, such Note Party is an "accredited investor" (as defined in National Instrument 45-106-*Prospectus and Registration Exemptions* of the Canadian Securities Administrators) acquiring Amended Notes or New Notes, as the case may be, as principal for its own account;

(b) Such Note Party has had the opportunity to ask questions of the Company and receive answers concerning the terms and conditions of the Amended Notes and the Restructuring Fee Notes and, if such Note Party is a New Notes Purchaser, the offer and sale of the New Notes.

(c) The name and address of the Person that holds any Existing Notes is set forth on Exhibit A, and such information set forth on Exhibit A is true and correct in all material respects;

(d) Such Note Party acknowledges that no person has been authorized to give any information or to make any representation concerning the Company or the Securities, if any, other than information made available by the Company on www.sec.gov, www.sedar.com, or www.goldreserveinc.com;

(e) Such Note Party understands and accepts that an investment in the Securities involves various risks, including the risks outlined in the current public filings made by the Company with the SEC pursuant to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act and the rules and regulations adopted by the SEC thereunder (collectively, the "Company Filings");

(f) Each New Notes Purchaser severally represents that it is purchasing the New Notes for its own account or for one or more separate accounts maintained or managed by it and not for distribution. Each New Notes Purchaser understands that the New Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the New Notes;

(g) Such Note Party is familiar with the business and financial condition and operations of the Company, all as generally described in the Company Filings; and

(h) The Amended Notes, the Restructuring Fee Notes and the New Notes were not offered to such Note Party in connection with the Restructuring Transaction and/or the New Notes Sale, as applicable, by means of any form of general solicitation or general advertising within the meaning of Regulation D (including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising).

8.3 Broker Fees. Such Note Party has not entered into any contract, arrangement or understanding with any Person which may result in the obligation of such Note Party to pay any finder's fees, brokerage or other like payments in connection with the negotiations leading to this Agreement or the consummation of the Restructuring Transaction or, if such Note Party is a New Notes Purchaser, the New Notes Sale.

8.4 Collection of Personal Information. Any Note Party resident in the Province of Ontario acknowledges that it has been notified by the Company (i) of the requirement to deliver to the Ontario Securities Commission (the "OSC") the full name, residential address and telephone number of such Note Party, the number and type of securities purchased hereunder, the total purchase price, the exemption relied upon and the date of distribution; (ii) that this information is being collected indirectly by the OSC under the authority granted to it in securities legislation; (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (iv) that the Administrative Support Clerk can be contacted at Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, or at (416) 593-3684, and can answer any questions about the OSC's indirect collection of this information.

9. Definitions. For the purpose of this Agreement, the terms defined in the introductory sentence and elsewhere in this Agreement shall have the respective meanings specified therein, and the following terms shall have the meanings specified with respect thereto below (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

9.1 Terms.

"2018 Interest Notes" means the senior secured interest notes due 2018 to be issued in connection with the payment of interest on the Amended Notes, the Restructuring Fee Notes and the New Notes in accordance with the terms set forth in the Fourth Supplemental Indenture.

"Applicable Law" means any applicable law, rule, regulation, code, governmental determination, order, treaty, convention, governmental certification requirement or other public limitation, U.S., Canadian or otherwise.

"Arbitration Proceedings" means that certain arbitration proceeding commenced by the Company against the Bolivarian Republic of Venezuela pending before the International Centre for Settlement of Investment Disputes ("ICSID") in Gold Reserve Inc. v. Bolivarian Republic of Venezuela (ICSID Case No. ARB(AF)/09/1)).

"Award" has the meaning set forth in the Security Agreement.

"Award Proceeds" means all proceeds from the Award actually received by the Company or on its behalf, including all proceeds and other rights with respect to any settlement related thereto, in cash or in kind, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

"Brisas Project" has the meaning set forth in the Company's Form 40-F filed with the SEC for the fiscal year ended December 31, 2014.

"Business Day" means any day on which banks are open for business in New York City (other than a legal holiday in Canada).

"Defeasance" means that (i) Sufficient Funds have been placed into the Proceeds Account or, (ii) in the alternative and subject to customary conditions (*e.g.,* as it relates to tax treatment of holders of Notes and the Company), the Company and the Majority Holders may jointly elect to have Sufficient Funds related to the Notes instead placed with the Trustee in order to effect a legal defeasance or escrow arrangement that results in such funds being placed under control of the Trustee (whether inside or outside the Proceeds Account); provided, that if the Company and the Majority holders do not jointly elect for legal defeasance of the Notes as described in clause (ii) above at any time, then Defeasance of the Notes pursuant to clause (i) shall occur without further action from any party in accordance with Sections 5.7(c) and 5.7(d), including the notice required thereunder. The Company, the Trustee and the Majority Holders shall use commercially reasonable efforts to agree on the terms of a legal defeasance or escrow arrangement contemplated by clause (ii) as promptly as reasonably practicable, but in any event within 30 days, following Closing with the view that the Company shall be in a position to utilize such method on or prior to the time it elects to effect a Defeasance. In addition to terms customarily applicable to a legal defeasance contained in indentures and for the avoidance of doubt, such terms shall include a provision that in the event of any conversion of Notes in accordance with the terms of such Notes and the Indenture, the relevant Notes and amount of cash proceeds associated with such converted Notes shall be returned to the Company from the Proceeds Account and no longer subject to any security interest, whereupon the Company shall issue the shares issuable upon conversion of the applicable Notes, or make a cash payment in lieu of issuing shares otherwise issuable, as provided in the Indenture and the Notes.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Governmental Authority" means any foreign governmental authority, the United States of America, any State of the United States, and any political subdivision of any of the foregoing, and any central bank, agency, department, commission, board, bureau, court or other Tribunal having jurisdiction over the holder of any Note, any Party or their respective Property.

"Majority Holders" means holders comprising at least a majority in the aggregate principal amount of outstanding Notes, voting together as a single class, including, if applicable, (i) funds and accounts advised by Steelhead Partners, LLC; provided that at the relevant time they collectively hold at least 25% in the aggregate principal amount of outstanding Notes and (ii) funds and accounts advised by Greywolf Capital Management LP; provided that at the relevant time they collectively hold at least 25% in the aggregate principal amount of outstanding Notes.

"Officer's Certificate" means a certificate signed in the name of a Party by its Chief Executive Officer, President, one of its Vice Presidents or its Treasurer.

"Options" means options to purchase Class A Common Shares governed by the Company's 2012 Equity Incentive Plan and any other options, warrants or similar rights to acquire equity securities of the Company.

"Person" means and includes an individual, a partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization and a government or any department or agency thereof.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.

"Registration Liquidated Damages" means an amount equal to (x) $5,000, multiplied by (y) the number of Business Days from the Shelf Registration Filing Deadline Date through the date on which the Shelf Registration Statement is filed by the Company with the SEC.

"SEC" means the United States Securities and Exchange Commission.

"Securities" means the Amended Notes, the New Notes, the Restructuring Fee Notes, the 2018 Interest Notes and the Class A Common Shares or other securities issued pursuant to conversion of the foregoing, as applicable.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Management Optionholders" means each of the Company's Chief Executive Officer, President, Vice President-Finance and Chief Financial Officer, Vice President-Administration and Secretary and each member of the Board.

"Sufficient Funds" means such amounts as are sufficient to pay the principal of and premium, if any, and interest, due on the Notes on the stated maturity date or on a redemption date, if applicable.

"Tribunal" means any municipal, state, commonwealth, federal, foreign, territorial or other sovereign, governmental entity, governmental department, court, commission, board, bureau, agency or instrumentality.

9.2 Terms Not Defined in this Agreement. Capitalized terms used and not defined herein have the respective meanings given such terms in the Indenture.

10. Miscellaneous.

10.1 Reasonable Best Efforts; Further Assurances. Each Party shall use its commercially reasonable best efforts to satisfy each of the conditions to be satisfied by it or other obligations as provided in this Agreement. Each Party hereby agrees to execute and deliver such documents and take such other actions as reasonably requested in connection with the transactions contemplated by this Agreement.

10.2 Entire Agreement. This Agreement and the Fourth Supplemental Indenture constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, with respect to the subject matter of this Agreement. For the avoidance of doubt, this Section 10.2 shall not affect the obligations of the Parties under any provision of the Subordinated Note Restructuring and Note Purchase Agreement, dated June 18, 2014, that relate to the Company's obligations to register the resale of the securities issued thereby, to the extent any such obligations exist in accordance with the terms of such agreements and instruments, and except to extent that any provision herein conflicts with a provision in such other agreements, in which case, this Agreement shall supersede such prior agreements with respect to any such provision.

10.3 Exhibits. The Exhibits to this Agreement are incorporated herein by reference and made a part of this Agreement.

10.4 Indemnification.

(a) The Company shall indemnify the Existing Holders and New Notes Purchasers from and against any and all losses, claims, damages, expenses (including without limitation reasonable attorneys' fees and expenses) or other liabilities ("Losses") resulting from, arising out of or relating to any breach of a representation or warranty, covenant or agreement by the Company in this Agreement, in each case as incurred. For the avoidance of doubt, Losses include any diminution in value of the Securities issued pursuant to this Agreement in addition to Losses incurred as a result of or in connection with third-party claims, in each case resulting from, arising out of or relating to any breach of a representation or warranty, covenant or agreement by the Company in this Agreement.

(b) Each Note Party shall severally, and not jointly, indemnify the Company from and against any and all Losses resulting from, arising out of or relating to any breach of a representation or warranty, covenant or agreement by such Note Party in this Agreement, in each case as incurred.

10.5 Payments. Notwithstanding anything else in this Agreement or the Indenture, the Restructuring Fee Notes shall be issued without withholding or deduction in respect of any taxes, charges, levies, assessments or otherwise. If any such withholding or deduction is required by law, the Company will make such withholding or deduction as may be necessary and pay such additional amounts such that the net amount received on account of the issuance of the Restructuring Fee Notes is not less than the amount that would have been received had no such withholding or deduction applied. The Company will indemnify and hold harmless each Existing Holder for any taxes that should have been so withheld or deducted in connection with the issuance of the Restructuring Fee Notes.

10.6 Successors and Assigns; Assignment. All covenants and agreements in this Agreement by the Company shall bind its successors and assigns, whether so expressed or not. No Party hereto may assign its rights and obligations, in whole or in part, to any Person.

10.7 Confidentiality. The Company shall not disclose the individual holdings of any Existing Holder or New Notes Purchaser (although it may disclose the aggregate holdings of the Existing Holders and New Notes Purchasers) other than as required by relevant securities laws, including in conjunction with the filing of a Registration Statement, and any applicable Canadian laws or TSXV rules.

10.8 Specific Performance. The Company acknowledges and agrees that, without limiting any other remedies available at law or equity, (a) irreparable damage to the Existing Holders would occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached, and (b) remedies at law would not be adequate to compensate the Existing Holders. Accordingly, the Company agrees that the Existing Holders shall have the right, in addition to any other rights and remedies existing in their favor, to enforce their rights hereunder by an action or actions for specific performance and injunctive or other equitable relief, including, without limitation, requiring any Party to comply promptly with any of its obligations hereunder, without the necessity of proving the inadequacy of money damages as a remedy. The Company hereby waives any requirement to post bond or other security in connection with actions instituted for injunctive relief, specific performance, or other equitable remedies. The right to specific performance shall exist notwithstanding, and shall not be limited by, any other provision of this Agreement.

10.9 Notices. All notices or other communications provided for hereunder shall be in writing and sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to an Existing Holder, addressed to such Existing Holder at the address specified for such communications on Exhibit A hereto, or at such other address as such Existing Holder shall have specified to the Company in writing, (ii) if to a New Notes Purchaser, addressed to such New Notes Purchaser at the address specified for such communications on Exhibit B hereto, and (iii) if to the Company, addressed to it at Gold Reserve Inc., 926 W Sprague Ave, Suite 200, Spokane, WA 99201 Attn: Robert McGuinness, or at such other address as the Company shall have specified to you in writing.

10.10 Fees and Expenses. Each Party will pay its fees and expenses arising in connection with the transactions contemplated by this Agreement, provided, that the Company shall pay reasonable professional fees and expenses incurred by one United States law firm and one Canadian law firm retained by the Existing Noteholders and New Note Purchasers, acting for this purpose as a single class, up to an aggregate amount not to exceed $175,000.

10.11 Exclusivity. The Parties agree to work together in good faith with respect to any financing during the period from the date of this Agreement to the Closing Date. Following the Closing, the Company shall have the right to seek and obtain any financing that it deems necessary or appropriate under the circumstances; provided, however, that, so long as any of the Amended Notes, Restructuring Fee Notes, or the New Notes remain outstanding, the undersigned Note Parties shall have the exclusive right in connection with any such financing to match the terms of, and provide in full or in part at their election, any financing offered to or sought by the Company, including but not limited to any debtor-in-possession (DIP) financing in anticipation of or during a bankruptcy proceeding (including for the purposes of Section 5.4), and the Company shall take such actions as reasonably appropriate to make such opportunity available to the undersigned Note Parties in the course of pursuing any such financing.

10.12 Amendments and Waivers. This Agreement may be amended only in a writing signed by each Party. Any waiver must be in writing and executed by the Party against which the enforcement of such waiver is sought.

10.13 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

10.14 Waiver of Jury Trial; Consent to Jurisdiction. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RESTRUCTURING TRANSACTION, THE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY. Each of the Parties hereto hereby absolutely and irrevocably consent and submit to the non-exclusive jurisdiction of the courts of the State of Washington and of any federal court located in said State in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the Parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such State or, to the extent permitted by law, in such Federal court. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that a Party may otherwise have to bring any action or proceeding relating to this Agreement against any Party in the courts of any jurisdiction.

10.15 Severability. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby; provided, that such invalidity, illegality or unenforceability does not materially affect the Parties' rights under this Agreement.

10.16 Effect of Headings and Table of Contents. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

10.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page by facsimile transmission or PDF file shall be effective as delivery of a manually signed counterpart of this Agreement.

If you are in agreement with the foregoing, please sign the Form of Acceptance on the enclosed counterpart of this Agreement and return the same to the Company, whereupon this Agreement shall become a binding agreement between the Company and you.

Very truly yours,

GOLD RESERVE INC.

By: /s/ Rockne J. Timm
Name: /s/ Rockne J. Timm
Title: Chief Executive Officer

The foregoing Agreement is hereby accepted as of the date first above written.

STEELHEAD NAVIGATOR MASTER, L.P.,
By: STEELHEAD PARTNERS LLC, its Investment Manager

By: /s/ Gary Stevenson
Name: Gary Stevenson
Title: President

The foregoing Agreement is hereby accepted as of the date first above written.

WEST FACE LONG TERM OPPORTUNITIES MASTER FUND L.P.
WEST FACE LONG TERM OPPORTUNITIES GLOBAL MASTER L.P.
By: WEST FACE CAPITAL INC., in its capacity as Investment Advisor

By:/s/ Stephen A. Miller
Name: Stephen A. Miller
Title: Chief Accounting Officer

WEST FACE LONG TERM OPPORTUNITIES (USA) LIMITED PARTNERSHIP

By: /s/ Stephen A. Miller
Name: Stephen A. Miller
Title: Chief Accounting Officer

The foregoing Agreement is hereby accepted as of the date first above written.

GCOF EUROPE SARL, a Luxembourg S.a.r.l.

By:/s/ Jan Willem Overheul
Name: Jan Willem Overheul
Title: Manager A

By: /s/ Joan Lederer
Name: Joan Lederer
Title: Manager B

GREYWOLF OVERSEAS INTERMEDIATE FUND, a Cayman limited exempt company
By: GREYWOLF CAPITAL MANAGEMENT LP, its Investment Manager

By: /s/ William Troy
Name: William Troy
Title: Authorized Signatory

GREYWOLF STRATEGIC MASTER FUND SPC, LTD. – MSP9,
a Cayman limited exempt company
By: GREYWOLF CAPITAL MANAGEMENT LP, its Investment Manager

By: /s/ William Troy
Name: William Troy
Title: Authorized Signatory

The foregoing Agreement is hereby accepted as of the date first above written.

ARCHER CAPITAL MASTER FUND, L.P.
ARCHER CROSSBOW MASTER FUND, L.P.
HASTINGS MASTER FUND, L.P.
By: ARCHER CAPITAL MANAGEMENT, L.P., in its capacity as Investment Manager

By:/s/ Neil Wiesenberg
Name: Neil Wiesenberg
Title: Authorized Person

The foregoing Agreement is hereby accepted as of the date first above written.

By: /s/ Robert John Morrison
Name: Robert John Morrison

The foregoing Agreement is hereby accepted as of the date first above written.

VR CAPITAL GROUP LTD.

By: /s/ Jeffrey Johnson
Name: Jeffrey Johnson
Title: Director

The foregoing Agreement is hereby accepted as of the date first above written.

VR GLOBAL PARTNERS, L.P.

By: /s/ Jeffrey Johnson
Name: Jeffrey Johnson
Title: Director of VR Advisory Services Ltd
in capacity as General Partner

EXHIBIT A

Existing Notes and Amended Notes

Existing Holder/Address	Principal Amount of 2015 Convertible Notes to be Amended pursuant to Restructuring Transaction	Principal Amount of 2015 Interest Notes to be Amended pursuant to Restructuring Transaction	Unpaid Interest	Principal Amount of Amended Notes following Restructuring Transaction
Steelhead Navigator Master, L.P. c/o Steelhead Partners LLC 333 108th Avenue NE, Suite 2010 Bellevue, WA 98004	$16,236,000.00	$2,426,839.00	$342,152.00	$19,004,991.00
West Face Long Term Opportunities (USA) Limited Partnership c/o Corporate Trust Centre 1209 Orange Street Wilmington, New Castle County Delaware 19801	$98,000.00	$14,236.00	$2,058.00	$114,294.00
West Face Long Term Opportunities Master Fund L.P. c/o CO Services Cayman Limited Willow House, P.O. Box 10008, Cricket Square Grand Cayman KY1-1001 Cayman Islands	$121,000.00	$17,579.00	$2,541.00	$141,120.00
West Face Long Term Opportunities Global Master L.P. c/o CO Services Cayman Limited Willow House, P.O. Box 10008, Cricket Square Grand Cayman KY1-1001 Cayman Islands	$6,749,000.00	$1,008,791.00	$142,226.00	$7,900,017.00
Greywolf Overseas Intermediate Fund a Cayman Islands limited exempt company 89 Nexus Way, Camana Bay Grand Cayman KY1-9007 Cayman Islands	$3,519,909.00	$526,129.00	$74,177.00	$4,120,215.00
GCOF Europe Sarl 21-25, Allee Scheffer 4th Floor, Room 9 L-2520 Luxembourg	$6,430,091.00	$961,123.00	$135,506.00	$7,526,720.00
VR Global Partners, L.P. c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$2,100,000.00	$313,892.00	$44,255.00	$2,458,147.00
VR Capital Group Ltd. c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$54,000.00	$7,845.00	$1,134.00	$62,979.00
Archer Capital Master Fund, L.P., 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$1,157,000.00	$172,942.00	$24,382.00	$1,354,324.00
Archer Crossbow Master Fund, L.P., 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$106,000.00	$15,844.00	$2,234.00	$124,078.00

Hastings Master Fund, L.P., c/o Maples Corporate Services Limited Ugland House, PO Box 309, George Town Grand Cayman KY1-1104 Cayman Islands	$137,000.00	$19,903.00	$2,877.00	$159,780.00
Robert John Morrison 79 Hiawatha Rd. Toronto, Ontario M4L 2X7	$600,000.00	$89,685.00	$12,644.00	$702,329.00

EXHIBIT B

New Notes

New Notes Purchaser / Address	Principal Amount of New Notes to be Purchased	Total Cash Purchase Price for New Notes
Greywolf Strategic Master Fund SPC, Ltd. – MSP9 89 Nexus Way, Camana Bay Grand Cayman KY1-9007 Cayman Islands	$9,938,000.00	$9,689,550.00
Robert John Morrison 79 Hiawatha Rd. Toronto, Ontario M4L 2X7	$585,000.00	$570,375.00
VR Global Partners, L.P. c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$709,000.00	$691,275.00
West Face Long Term Opportunities Global Master L.P. c/o CO Services Cayman Limited Willow House, P.O. Box 10008, Cricket Square Grand Cayman KY1-1001 Cayman Islands	$1,065,000.00	1,038,375.00

EXHIBIT C

Restructuring Fee Notes

Existing Holder/Address	Principal Amount of Restructuring Fee Notes to be Issued pursuant to Restructuring Transaction
Steelhead Navigator Master, L.P. c/o Steelhead Partners LLC 333 108th Avenue NE, Suite 2010 Bellevue, WA 98004	$475,125.00
West Face Long Term Opportunities (USA) Limited Partnership c/o Corporate Trust Centre 1209 Orange Street Wilmington, New Castle County Delaware 19801	$2,857.00
West Face Long Term Opportunities Master Fund L.P. c/o CO Services Cayman Limited Willow House, P.O. Box 10008, Cricket Square Grand Cayman KY1-1001 Cayman Islands	$3,528.00
West Face Long Term Opportunities Global Master L.P. c/o CO Services Cayman Limited Willow House, P.O. Box 10008, Cricket Square Grand Cayman KY1-1001 Cayman Islands	$197,500.00
Greywolf Overseas Intermediate Fund a Cayman Islands limited exempt company 89 Nexus Way, Camana Bay Grand Cayman KY1-9007 Cayman Islands	$103,005.00
GCOF Europe Sarl 21-25, Allee Scheffer 4th Floor, Room 9 L-2520 Luxembourg	$188,168.00
VR Global Partners, L.P. c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$61,454.00
VR Capital Group Ltd. c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$1,574.00
Archer Capital Master Fund, L.P., 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$33,858.00
Archer Crossbow Master Fund, L.P., 190 Elgin Avenue, George Town Grand Cayman KY1-9005 Cayman Islands	$3,102.00
Hastings Master Fund, L.P., c/o Maples Corporate Services Limited Ugland House, PO Box 309, George Town Grand Cayman KY1-1104 Cayman Islands	$3,994.00
Robert John Morrison 79 Hiawatha Rd. Toronto, Ontario M4L 2X7	$17,558.00

EXHIBIT D

Contingent Value Rights

Date	CVR #	Owner	CVRs	Total
12/4/2012	ON-004	Brueske	0.000065%	0.000065%
12/4/2012	ON-001	Byrnes	0.001036%	0.001036%
12/4/2012	ON-012	Citigroup Global Markets Inc.	0.000065%	0.000065%
12/4/2012	ON-013	Engman	0.000065%	0.000065%
12/4/2012	LN-005	GCOF Europe SARL	0.406000%	
7/21/2014	LN-010	GCOF Europe SARL	0.231%	
9/23/2014	LN-011	Greywolf Overseas Intermediate Fund	0.856%	
				1.493000%
12/4/2012	ON-007	Jackson	0.000130%	0.000130%
12/4/2012	ON-003	Jenkins	0.000648%	0.000648%
12/4/2012	ON-005	Kennedy	0.000194%	0.000194%
12/4/2012	ON-006	Rose	0.000065%	0.000065%
12/4/2012	ON-009	Stark	0.000065%	0.000065%
12/4/2012	LN-001	Steelhead Navigator Master, L.P.	3.506%	3.506000%
12/4/2012	ON-002	Stutts	0.000065%	0.000065%
12/4/2012	LN-007	V R Global Partners, L. P.	0.453000%	0.453000%
12/4/2012	LN-008	VR Capital Group Ltd.	0.012000%	0.012000%
12/4/2012	ON-010	Weeks	0.000065%	0.000065%
			5.466463%	5.466463%

GOLD RESERVE INC.

as Issuer

AND

U.S. BANK NATIONAL ASSOCIATION

as Trustee

COMPUTERSHARE TRUST COMPANY OF CANADA

as Co-Trustee

Fourth Supplemental Indenture

Dated as of November 30, 2015

to

Indenture

Dated as of May 18, 2007

11% Senior Secured Convertible Notes due 2018
11% Senior Secured Interest Notes due 2018

Table of Contents

Page

FOURTH SUPPLEMENTAL INDENTURE , dated as of November 30, 2015 (this "Fourth Supplemental Indenture"), by and among **GOLD RESERVE INC.**, a corporation incorporated under the laws of Alberta, Canada, as Issuer (hereinafter called the "Company"), having its principal office at 926 West Sprague Ave., Suite 200, Spokane, WA 99201 (Facsimile No. (509) 623-1634), **U.S. BANK NATIONAL ASSOCIATION** , having its Corporate Trust Office at 100 Wall Street, Suite 1600, New York, New York, 10005, as successor Trustee (hereinafter, the "Trustee") to The Bank of New York Mellon (f/k/a The Bank of New York) (the "Predecessor Trustee") and **COMPUTERSHARE TRUST COMPANY OF CANADA** , having its Corporate Trust Office at 1500 University St., 7th Floor, Montreal, Quebec H3A 3S8, Canada, as successor Co-Trustee (hereinafter, the " Co-Trustee") to BNY Trust Company of Canada (the "Predecessor Co-Trustee").

RECITALS OF THE COMPANY

WHEREAS, the Company, the Predecessor Trustee and the Predecessor Co-Trustee have heretofore entered into an Indenture, dated as of May 18, 2007 (the "Original Indenture"), as amended and supplemented by the First Supplemental Indenture, dated as of December 4, 2012 (the "First Supplemental Indenture"), the Second Supplemental Indenture, dated as of June 18, 2014 (the "Second Supplemental Indenture"), and the Third Supplemental Indenture, dated as of September 24, 2014 (the "Third Supplemental Indenture" and, together with the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture, the "Indenture"), each among the Company, the Trustee and the Co-Trustee;

WHEREAS, the Company has outstanding $37,308,000 aggregate principal amount of 11% Senior Subordinated Convertible Notes due 2015 (the "2015 Convertible Notes"), $5,574,808 aggregate principal amount of 11% Senior Subordinated Interest Notes due 2015 (the "2015 Interest Notes" and, together with the 2015 Convertible Notes, the "2015 Notes") and $1,042,000 aggregate principal amount of 5.50% Senior Subordinated Convertible Notes due June 15, 2022 (the "2022 Notes"), which 2015 Notes and 2022 Notes constitute all of the Outstanding Securities under the Indenture as of the date of this Fourth Supplemental Indenture;

WHEREAS, the 2022 Notes were issued pursuant to the Original Indenture and represent the remaining original Securities that were issued thereunder (the "Original Securities");

WHEREAS, on December 4, 2012, $25,312,000 aggregate principal amount of 5.5% Senior Subordinated Convertible Notes due 2014 (the "2014 Notes") were issued pursuant to the First Supplemental Indenture to certain Holders of the 2022 Notes in connection with the restructuring of $102,305,000 aggregate principal amount of the 2022 Notes;

WHEREAS, on June 18, 2014, the 2015 Convertible Notes were issued pursuant to the Second Supplemental Indenture, consisting of (i) $25,308,000 aggregate principal amount of 2015 Convertible Notes issued to certain holders of the 2014 Notes in connection with the restructuring of $25,308,000 aggregate principal amount of the 2014 Notes and (ii) an additional $12,000,000 aggregate principal amount of 2015 Convertible Notes issued in exchange for cash;

WHEREAS, on June 30, 2014, the remaining $4,000 aggregate principal amount of the 2014 Notes was repaid at maturity in accordance with the terms of the 2014 Notes;

WHEREAS, the 2015 Interest Notes were issued to Holders of the 2015 Convertible Notes and Outstanding 2015 Interest Notes in connection with regular quarterly interest payments with respect to the 2015 Convertible Notes and 2015 Interest Notes, as applicable;

WHEREAS, the 2015 Notes are referred to individually in the Indenture (as amended pursuant to this Fourth Supplemental Indenture) as a "2015 Modified Security" and collectively as the "2015 Modified Securities" and the 2015 Notes, as modified and amended pursuant to this Fourth Supplemental Indenture, are referred to individually in the Indenture (as amended pursuant to this Fourth Supplemental Indenture) as a "2018 Modified Security" and, collectively, as the "2018 Modified Securities";

WHEREAS, pursuant to a Note Restructuring and Note Purchase Agreement, dated as of November 30, 2015 (the "Restructuring Agreement"), by and among the Company, certain holders of 2015 Modified Securities party thereto (the "Amending Noteholders") and the New Securities Purchasers (as defined herein), the parties thereto agreed (i) to modify the terms of the 2015 Modified Securities held by the Amending Noteholders upon the terms and conditions set forth in the Restructuring Agreement and (ii) that the Company would issue and sell to certain of the parties to the Restructuring Agreement (the "New Securities Purchasers") new Securities under the Indenture, as supplemented and amended by this Fourth Supplemental Indenture, having the same terms and conditions as the 2018 Modified Securities except as to issue price and CUSIP/ISIN number, as provided below;

WHEREAS, as a fee for consenting to further modifying the terms of the 2015 Modified Securities held by the Amending Noteholders upon the terms and conditions set forth in the Restructuring Agreement, the Company also agreed to issue to the Holders of the 2015 Modified Securities additional new Securities in an aggregate principal amount equal to 2.5% of the sum of (i) the principal amount of the 2015 Modified Securities plus (ii) any accrued and unpaid interest on the 2015 Modified Securities to, but not including, the date of this Fourth Supplemental Indenture, under the Indenture, as supplemented and amended by this Fourth Supplemental Indenture, having the same terms and conditions as the 2018 Modified Securities (the "Restructuring Fee Securities");

WHEREAS, pursuant to Sections 11.02(c) and 12.13 of the Indenture, respectively, the consent of Holders of not less than 75% in aggregate principal amount of the Outstanding 2015 Modified Securities, voting together as a single class, is required to consummate the transactions contemplated by the Restructuring Agreement, including entry into this Fourth Supplemental Indenture and effecting of the amendments and supplements to the Indenture contemplated hereby; *provided*, *however*, that the extension of the fixed Maturity date of the 2015 Modified Securities requires the consent of Holders of each Outstanding Security affected by this Fourth Supplemental Indenture pursuant to Section 11.02(a);

WHEREAS, the Amending Noteholders hold approximately 97.6% of all of the Outstanding Securities under the Indenture and 100.0% of the Outstanding 2015 Modified Securities and have consented to the amendments reflected in Article Two of this Fourth Supplemental Indenture (collectively, the "Consented Amendments") to provide for the terms of the 2018 Modified Securities (as defined herein), to allow for the issuance of the New Securities (as defined herein) and the Restructuring Fee Securities and certain other matters;

WHEREAS, this Fourth Supplemental Indenture includes (i) a form of Security that represents the 2018 Modified Securities, the New Securities and the Restructuring Fee Securities, *provided*, for the avoidance of doubt, that the 2018 Modified Securities, the New Securities and the Restructuring Fee Securities shall, as applicable, have different CUSIP/ISIN numbers and issue prices and (ii) a form of Security representing the 2018 Interest Securities (as defined herein) to be issued to the Holders of the 2018 Modified Securities, the New Securities, the Restructuring Fee Securities and Outstanding 2018 Interest Securities in connection with the payment of interest thereon, which 2018 Interest Securities have terms substantially the same as the terms of the 2018 Modified Securities, the New Securities and the Restructuring Fee Securities, except as to the right to convert such 2018 Interest Securities into Common Shares pursuant to Article XVI of the Indenture;

WHEREAS, the 2018 Modified Securities, the New Securities, the Restructuring Fee Securities and the 2018 Interest Securities will be secured by a first lien on assets of the Company as provided in the Security Documents (as defined herein);

WHEREAS, pursuant to Section 11.03 of the Indenture, the Trustee and the Co-Trustee are authorized to execute and deliver this Fourth Supplemental Indenture; and

WHEREAS, for the purposes hereinabove recited, and pursuant to due corporate action, the Company has duly determined to execute and deliver to the Trustee and Co-Trustee this Fourth Supplemental Indenture, and all conditions and requirements necessary to make this Fourth Supplemental Indenture a valid, legal and binding instrument in accordance with its terms have been satisfied, and the execution and delivery hereof have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises, agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE ONE
Relation to Indenture; Definitions

SECTION 1.01. Relation to Indenture.

This Fourth Supplemental Indenture constitutes an integral part of the Indenture.

SECTION 1.02. Definitions.

For all purposes of this Fourth Supplemental Indenture, capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

SECTION 1.03. General References.

Unless otherwise specified or unless the context otherwise requires, (i) all references in this Fourth Supplemental Indenture to Articles and Sections refer to the corresponding Articles and Sections of this Fourth Supplemental Indenture and (ii) the terms "*herein*," "*hereof*," "*hereunder*" and any other word of similar import refer to this Fourth Supplemental Indenture.

ARTICLE TWO
Consented Amendments to the Indenture

The Indenture is hereby amended as set forth below in this Article Two for the purpose of implementing modifications to the 2015 Modified Securities that the Amending Noteholders have elected to further restructure pursuant to the Restructuring Agreement. The Indenture is also amended pursuant to this Article Two for the purpose of issuing the New Securities to the New Securities Purchasers and the Restructuring Fee Securities to the Amending Noteholders and implementing certain modifications to the Indenture related thereto. No amendment or supplement made pursuant to this Article Two is intended to amend or modify the terms of the Original Securities that remain Outstanding. Such Original Securities will continue to be subject to the applicable terms of the Indenture.

SECTION 2.01. Amendment of Section 1.01 – Additional Defined Terms.

Section 1.01 of the Indenture is hereby amended by inserting the following defined terms in the appropriate alphabetical position:

"**2018 Modified Security**" or "**2018 Modified Securities**" means a 2018 Security or the 2018 Securities issued pursuant to this Fourth Supplemental Indenture to amend the terms of the 2015 Modified Securities held by the Amending Noteholders.

"**2018 Security**" or "**2018 Securities**" means a Security or the Securities designated as the "11% Senior Secured Convertible Notes due 2018" and having the form set forth in Article II issued pursuant to Section 3.01 of the Indenture, including the 2018 Modified Securities, the New Securities and the Restructuring Fee Securities.

"**2018 Interest Security**" or "**2018 Interest Securities**" means a Security or the Securities designated as the "11% Senior Secured Interest Notes due 2018" and having the form set forth in Article II issued pursuant to Section 3.01 of the Indenture in connection with an obligation to pay interest on the applicable interest payment date for the 2018 Securities and other Outstanding 2018 Interest Securities.

"**Collateral**" has the meaning specified in the Security and Pledge Agreement.

"**Collateral Agent**" has the meaning specified in Section 17.01.

"**Majority Holders**" means Holders comprising at least a majority in the aggregate principal amount of outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class, including, if applicable, (i) funds and accounts advised by Steelhead Partners, LLC; *provided* that at the relevant time they collectively hold at least 25% in aggregate principal amount of outstanding 2018 Securities and 2018 Interest Securities, taken together, and (ii) funds and accounts advised by Greywolf Capital Management LP; *provided* that at the relevant time they collectively hold at least 25% in aggregate principal amount of outstanding 2018 Securities and 2018 Interest Securities, taken together. In connection with any required determination of the Majority Holders, the Company will provide the information related to the respective holdings of the funds and accounts advised by each of Steelhead Partners, LLC and Greywolf Capital Management LP contemplated by clauses (i) and (ii) above to the Trustee, and the Trustee shall be entitled to rely upon such information in determining the Holders of the 2018 Securities and 2018 Interest Securities comprising the Majority Holders at such time.

"**Restructuring Agreement**" means the Note Restructuring and Note Purchase Agreement, dated as of November 30, 2015, by and among the Company, the Holders of 2015 Modified Securities and the New Securities Purchasers.

"**Restructuring Fee Security**" or "**Restructuring Fee Securities**" means the 2018 Security or the 2018 Securities issued pursuant to this Fourth Supplemental Indenture to Amending Noteholders as a fee payment for consenting to the Consented Amendments.

"**Security and Pledge Agreement**" has the meaning specified in Section 17.01.

"**Security Documents**" means the Security and Pledge Agreement (including the financing statements under the Uniform Commercial Code of the relevant states of the United States and under the Personal Property Security Act (Alberta) in appropriate form for filing in the Province of Alberta), as amended, supplemented, restated, or otherwise modified from time to time, entered into to secure the 2018 Securities and the 2018 Interest Securities.

SECTION 2.02. Additional Amendment of Section 1.01 – Modified Defined Terms.

Section 1.01 of the Indenture is hereby amended by deleting the terms "'2015 Modified Security' and '2015 Modified Securities,'" "'Company Request' or 'Company Order,'" "Global Security," "'Holder' and 'Securityholder,'" "Interest Payment Date," "Issue Date," "'New Security' and 'New Securities,'" "Notice of Redemption of Modified Securities or Certain Other Securities," "Outstanding," "Physical Securities," "Regular Record Date," "'Security' or 'Securities'" and "Stated Maturity" and inserting the following definitions:

"**2015 Modified Security**" or "**2015 Modified Securities**" means, collectively, a Security or the Securities designated as the "11% Senior Convertible Notes due 2015" or the "11% Senior Interest Notes due 2015" issued to the Amending Noteholders pursuant to the Second Supplemental Indenture, which are being further amended pursuant to this Fourth Supplemental Indenture.

"**Company Request**" or "**Company Order**" means a written request or order signed in the name of the Company by (i) its Chairman of the Board, its Vice Chairman of the Board, its Chief Executive Officer, its President, its Chief Operating Officer, its Chief Financial Officer or any Vice President, and by its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary or (ii) by an authorized signatory (by virtue of a power of attorney, Board Resolution or other similar instrument), and delivered to the Trustee.

"**Global Security**" means an Original Security, a 2018 Security or a 2018 Interest Security, as applicable, in global form registered in the Security Register in the name of a Depositary or a nominee thereof.

"**Holder**" or "**Securityholder**" means a Person in whose name an Original Security, a 2018 Security or a 2018 Interest Security is registered in the Security Register.

"**Interest Payment Date**" or "**interest payment date**" means, in respect of the Original Securities, each June 15 and December 15 of each year; and, in respect of the 2018 Securities and the 2018 Interest Securities, each June 30, September 30, December 31 and March 31 of each year.

"**Issue Date**" means, in respect of the Original Securities, May 18, 2007; in respect of the 2018 Securities, the date as set forth in the form of the 2018 Securities under this Fourth Supplemental Indenture; and, in respect of the 2018 Interest Securities, the interest payment date in respect of which any such 2018 Interest Securities are issued in accordance with the terms of the Fourth Supplemental Indenture.

"**New Security**" or "**New Securities**" means the 2018 Security or the 2018 Securities issued pursuant to this Fourth Supplemental Indenture to the New Securities Purchasers in exchange for cash.

"**Notice of Redemption of 2018 Securities and 2018 Interest Securities"** has the meaning specified in Section 13.10.

"**Outstanding**" has the meaning specified in the Indenture, as modified by Section 2.15 of the Fourth Supplemental Indenture.

"**Physical Securities**" means, in respect of an Original Security, a permanent certificated Original Security in registered form issued in denominations of $1,000 and integral multiples thereof; and, in respect of a 2018 Security or a 2018 Interest Security, a permanent certificated 2018 Security or 2018 Interest Security, as applicable, in registered form issued in denominations of $1,000 and integral multiples of $1.00 in excess thereof.

"**Regular Record Date**" for the payment of interest on the Securities (including Additional Amounts, if any), (i) when used in respect of any Original Security means June 1 (whether or not a Business Day) next preceding an interest payment date on June 15 and December 1 (whether or not a Business Day) next preceding an interest payment date on December 15 and (ii) when used in respect of any 2018 Security or 2018 Interest Security means June 15 (whether or not a Business Day) next preceding an interest payment date on June 30, September 15 (whether or not a Business Day) next preceding an interest payment date on September 30, March 15 (whether or not a Business Day) next preceding an interest payment date on March 31 and December 15 (whether or not a Business Day) next preceding an interest payment date on December 31.

"**Security**" or "**Securities**" have the respective meanings specified in the first paragraph of the Recitals of the Company in the Original Indenture, as modified by Section 2.15 of this Fourth Supplemental Indenture.

"**Stated Maturity**" when used with respect to any Original Security, means June 15, 2022 and when used with respect to any 2018 Security or 2018 Interest Security, means December 31, 2018.

SECTION 2.03. Additional Amendment of Section 1.01 – Deleted Defined Terms.

Section 1.01 of the Indenture is hereby amended by deleting the terms "'2015 Security' and '2015 Securities,'" "Interest Securities" and "'Modified Security' and 'Modified Securities.'"

SECTION 2.04. Amendment of Article II – Amendment of Section 2.07 – Form of Face of Security (2018 Security).

Section 2.07 of the Indenture is hereby amended and restated to read in its entirety as follows:

Section 2.07. Form of Face of Security (2018 Security).

[**INCLUDE IF 2018 SECURITY IS A GLOBAL SECURITY** — THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), A NEW YORK CORPORATION, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

[**INCLUDE IF 2018 SECURITY IS A PHYSICAL SECURITY** — IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOLLOWING RESTRICTIONS.]

[**INCLUDE IF 2018 SECURITY IS A PHYSICAL SECURITY (PRIVATE PLACEMENT LEGEND)** — THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1), (2), (3), OR (7) UNDER THE SECURITIES ACT) (AN "**ACCREDITED INVESTOR**"), (2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO AN ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE FOR THIS SECURITY), (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY, IF THE PROPOSED TRANSFEREE IS AN ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND ONE DAY AFTER DATE OF ISSUANCE OF THE 2018 SECURITIES].

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS FOUR MONTHS AND ONE DAY AFTER DATE OF ISSUANCE OF THE 2018 SECURITIES].]

[**INCLUDE IF 2018 SECURITY IS ISSUED WITH ORIGINAL ISSUE DISCOUNT** — THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT UNDER SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. YOU MAY CONTACT ROBERT MCGUINNESS, THE CHIEF FINANCIAL OFFICER OF THE COMPANY, AT RMCGUINNESS@GOLDRESERVEINC.COM OR BY PHONE AT 509-623-1500, WHO WILL PROVIDE YOU WITH ANY REQUIRED INFORMATION REGARDING THE ORIGINAL ISSUE DISCOUNT.]

GOLD RESERVE INC.

11% Senior Secured Convertible Notes due 2018

No. ● CUSIP NO. 38068N AG3 [2018 Modified Securities/Restructuring Fee Securities]
38068N AH1 [New Securities] U.S. $●

ISIN US38068NAG34 [2018 Modified Securities/Restructuring Fee Securities]
US38068NAH17 [New Securities]

Gold Reserve Inc., a corporation incorporated under the laws of Alberta, Canada (herein called the "**Company**", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to [●][**INCLUDE IF 2018 SECURITY IS A GLOBAL SECURITY** —Cede & Co.], or registered assigns, the principal sum of [●] United States Dollars ($[●]) [**INCLUDE IF 2018 SECURITY IS A GLOBAL SECURITY** — (which amount may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary, in accordance with the rules and procedures of the Depositary)] on December 31, 2018. Payment of the principal of this Security shall be made by wire transfer or check mailed to the address of the Holder of this Security specified in the register of Securities, or, at the option of the Holder of this Security, at the Corporate Trust Office, in such lawful money of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. The Issue Date of this Security is [●], 2015.

Reference is made to the further provisions of this Security set forth on the reverse hereof, including, without limitation, provisions giving the Holder of this Security the right to convert this Security in certain circumstances and the obligation or option of the Company to repurchase this Security upon certain events on the terms and subject to the limitations referred to on the reverse hereof and as more fully specified in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee or a duly authorized authenticating agent under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

GOLD RESERVE INC.

By: _____
Authorized Signatory

Attest:

By: _____
Authorized Signatory

SECTION 2.05. Amendment of Article II – Amendment of Section 2.08 – Form of Reverse of Security (2018 Security).

Section 2.08 of the Indenture is hereby amended and restated to read in its entirety as follows:

Section 2.08. Form of Reverse of Security (2018 Security).

This Security is one of a duly authorized issue of Securities of the Company, designated as its 11% Senior Secured Convertible Notes due 2018 (herein called the "**2018 Securities**"), all to be issued under and pursuant to an indenture (herein called the "**Original Indenture**"), dated as of May 18, 2007, among the Company, U.S. Bank National Association, as successor to The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (herein called the "**Trustee**"), and Computershare Trust Company of Canada, as successor to BNY Trust Company of Canada, as co-trustee (herein called the "**Co-Trustee**"), as supplemented by the first supplemental indenture, dated as of December 4, 2012 (the "**First Supplemental Indenture**"), the second supplemental indenture, dated as of June 18, 2014 (the "**Second Supplemental Indenture**"), the third supplemental indenture, dated as of September 24, 2014 (the "**Third Supplemental Indenture**"), and the fourth supplemental indenture, dated as of November 30, 2015 (the "**Fourth Supplemental Indenture**" and together with the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the "**Indenture**"), each among the Company, the Trustee and the Co-Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Co-Trustee, the Company and the Holders of the 2018 Securities. Terms used herein which are defined in the Indenture have the meanings assigned to them in the Indenture.

The indebtedness evidenced by the 2018 Securities is secured indebtedness of the Company and will rank (i) equal in right of payment with the Company's other secured indebtedness that is permitted to be secured on a *pari passu* basis, including the 2018 Interest Securities and those certain 5.465% Contingent Value Rights, (ii) equal in right of payment to the 2022 Notes, (iii) effectively senior in right of payment to the Company's existing and future unsecured indebtedness to the extent of the value of the Collateral securing the 2018 Securities and the 2018 Interest Securities and (iv) senior in right of payment to all of the Company's future subordinated debt; *provided*, that any future incurrence of additional indebtedness by the Company or the provision of security interests with respect to any indebtedness in the future must be incurred or provided, as applicable, in compliance with the terms of the Indenture, including the Fourth Supplemental Indenture.

Interest. The Company, promises to pay interest on the principal amount of this 2018 Security at the rate of 11% per annum payable in 2018 Interest Securities. Interest will accrue and be capitalized quarterly and be payable on June 30, September 30, December 31 and March 31 of each year commencing on March 31, 2016.

Interest will be paid to the person in whose name a 2018 Security is registered at the close of business on or, as the case may be, immediately preceding the Regular Record Date immediately preceding the relevant interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Interest on each 2018 Interest Security shall accrue from the interest payment date in respect of which such 2018 Interest Security was issued under the Indenture.

The Holder of this 2018 Security after 5:00 p.m., New York City time, on a Regular Record Date shall be entitled to receive interest on this Security on the corresponding interest payment date. The Holder of this 2018 Security after 5:00 p.m., New York City time, on a Regular Record Date will receive payment of interest payable on the corresponding interest payment date notwithstanding the conversion of this 2018 Security at any time after the close of business on such Regular Record Date. If this 2018 Security is surrendered for conversion during the period after 5:00 p.m., New York City time, on any Regular Record Date to 9:00 a.m., New York City time, on the corresponding interest payment date, it must be accompanied by (i) payment of an amount equal to the principal amount of 2018 Interest Securities that the Holder is to receive on the 2018 Securities or (ii) the written election of the Holder to offset the payment otherwise required pursuant to clause (i) against the principal amount of 2018 Interest Securities that the Holder is to receive on the 2018 Securities. Notwithstanding the foregoing, no such payment of interest need be made by any converting Holder (i) if the Company has specified a Redemption Date that is after a Regular Record Date and on or prior to the corresponding interest payment date, (ii) if the Company has specified a Fundamental Change Purchase Date during such period or (iii) to the extent of any overdue interest existing at the time of conversion of such 2018 Security. Except where this 2018 Security is surrendered for conversion and must be accompanied by payment as described above, no interest will be payable by the Company on any interest payment date subsequent to the date of conversion, and delivery of the cash and Common Shares, if applicable, pursuant to Article XVI of the Indenture, together with any cash payment for any fractional share, upon conversion will be deemed to satisfy the Company's obligation to pay the principal amount of the 2018 Securities and accrued and unpaid interest, if any, to, but not including, the related Conversion Date.

Method of Payment. By no later than 10:00 a.m. (New York City time) on the date on which any principal on any 2018 Security is due and payable, the Company shall deposit with the Paying Agent money sufficient to pay such amount. The Company will pay principal in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of 2018 Securities represented by a Global Security will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company ("**DTC**"). The Company will pay principal of Physical Securities at the office or agency designated by the Company in the Borough of Manhattan, The City of New York. Interest will be payable in 2018 Interest Securities. Not later than three (3) Business Days prior to the relevant interest payment date, the Company shall deliver to the Trustee an order to authenticate and deliver such 2018 Interest Securities. Interest on the 2018 Securities will be payable (x) with respect to 2018 Securities represented by a Global Security, by issuing and having authenticated a new Global Security representing the 2018 Interest Securities in an amount equal to the amount of interest payable for the applicable interest period (each Global Security to be rounded up to the nearest $1.00) and (y) with respect to 2018 Securities represented by Physical Securities, by issuing and having authenticated 2018 Interest Securities represented by Physical Securities in an aggregate principal amount equal to the amount of interest payable for the applicable period (each Physical Security to be rounded up to the nearest $1.00), and the Trustee will, at the request of the Company, authenticate and deliver such Physical Securities for original issuance to the Holders on the relevant Regular Record Date, as shown in the Security Register. Following the issuance of a new Global Security representing the 2018 Interest Securities as a result of an interest payment, the Global Security will bear interest from and after the relevant date of issue. Any 2018 Interest Securities issued as Physical Securities will be dated as of the applicable interest payment date and will bear interest from and after such date. All 2018 Interest Securities issued pursuant to an interest payment date will be governed by, and subject to the terms, provisions and conditions of, the Indenture.

Additional Amounts. The Company shall pay to the Holders such Additional Amounts as may become payable under Section 12.09 of the Indenture.

Redemption for Tax Reasons. The Company may, at its option, redeem the 2018 Securities, in whole but not in part, for an amount equal to (i) 100% of the Principal Amount of the 2018 Securities, plus (ii) accrued and unpaid interest (including Additional Amounts, if any), to, but excluding, the Redemption Date plus (iii) an additional 20% of the Principal Amount of the 2018 Securities (such amounts collectively, the "**Redemption Price**"), if the Company has become or would become obligated to pay to the Holders Additional Amounts (which are more than a *de minimis* amount) as a result of any amendment or change occurring after November 30, 2015 in the laws or any regulations of Canada or any Canadian political subdivision or taxing authority, or any change occurring after November 30, 2015 in the interpretation or application of any such laws or regulations by any legislative body, court, governmental agency, taxing authority or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory or administrative determination); *provided* the Company cannot avoid these obligations by taking reasonable measures available to it and that it delivers to the Trustee an opinion of Canadian legal counsel specializing in taxation and an Officers' Certificate attesting to such change and obligation to pay Additional Amounts. The Company will not and will not cause any Paying Agent or the Trustee to deduct from such Redemption Price any amounts on account of, or in respect of, any Canadian Taxes other than Excluded Taxes (except in respect of certain Excluded Holders). In such event, the Company will give the Trustee and the Holders of the 2018 Securities not less than thirty (30) days' nor more than sixty (60) days' notice of redemption, except that (i) the Company will not give notice of redemption earlier than sixty (60) days prior to the earliest date on or from which it would be obligated to pay any such Additional Amounts, and (ii) at the time the Company gives the notice, the circumstances creating its obligation to pay such Additional Amounts remain in effect.

Upon receiving such notice of redemption, each Holder who does not wish to have the Company redeem its 2018 Securities pursuant to Article XIII of the Indenture can elect to (i) convert its 2018 Securities pursuant to Article XVI of the Indenture or (ii) not have its 2018 Securities redeemed, provided that no Additional Amounts will be payable on any payment of interest or principal with respect to the 2018 Securities after such Redemption Date. All future payments will be subject to the deduction or withholding of any Canadian Taxes required to be deducted or withheld.

Where no such election is made, the Holder will have its 2018 Securities redeemed without any further action. If a Holder does not elect to convert its 2018 Securities pursuant to Article XVI of the Indenture but wishes to elect to not have its 2018 Securities redeemed, such Holder must deliver to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the notice of redemption, a written Notice of Election (the "**Notice of Election**") on the back of this 2018 Security, or any other form of written notice substantially similar to the Notice of Election, in each case, duly completed and signed, so as to be received by the Paying Agent no later than the close of business on a Business Day at least five (5) Business Days prior to the Redemption Date.

A Holder may withdraw any Notice of Election by delivering to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the Company in the notice of redemption, a written notice of withdrawal prior to the close of business on the Business Day prior to the Redemption Date.

If cash sufficient to pay the Redemption Price of all 2018 Securities (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent prior to 10:00 a.m., New York City time, on the Redemption Date, then on such Redemption Date, interest, including Additional Amounts, if any, shall cease to accrue on such 2018 Securities or portions thereof.

Company's Obligation to Redeem. The Company shall redeem the 2018 Securities then Outstanding, together with the 2018 Interest Securities then Outstanding, in whole or in part, for an amount of cash equal to 120% of the Outstanding Principal Amount of the 2018 Securities and Interest Securities, taken together, plus accrued and unpaid interest, 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) the Company's receipt of Proceeds from a Mining Data Sale (the occurrence of an event described in (a) or (b) may be referred to as a **"Redemption Trigger"**), in each case, notwithstanding any other notice provision herein, upon twenty (20) days' notice to the Holders (which notice shall be provided within ten (10) days of the issuance of a final Arbitration Award or Company's receipt of any such Proceeds, as applicable); *provided*, *however*, that following the issuance of a final Arbitration Award, the Company shall not be obligated to effect any redemption pursuant to this paragraph unless the Company receives cash proceeds in excess of $20,000,000, net of (i) taxes and (ii) $13,500,000 to fund professional fees and expenses and accrued and unpaid prospective operating expenses (such net amount, collectively the "**Net Cash Proceeds**"), in which case the Company shall give notice to the Holders of 2018 Securities within two (2) Business Days after receipt of such funds of its intent to redeem and shall promptly, and in any event within five (5) Business Days, redeem the 2018 Securities and the 2018 Interest Securities to the extent of such Net Cash Proceeds received in excess of $20,000,000, subject to the following sentence. In respect of any given receipt of Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, by the Company, the Company's redemption obligations in this paragraph shall be limited to the amount of the Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, received by the Company, and if the amount of Net Cash Proceeds, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, received is insufficient to redeem all of the 2018 Securities and the 2018 Interest Securities then Outstanding, the Company shall redeem a *pro rata* portion of each Holder's applicable Securities determined on the basis of the Principal Amount of the applicable Securities held by each Holder as among all Outstanding 2018 Securities and 2018 Interest Securities, taken together, held by all Holders (*provided*, *further*, that any subsequent receipt of additional Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, shall be applied in a similar manner until such time as the redemption obligations have been satisfied in full). Notwithstanding the foregoing or anything to the contrary herein, (i) within five (5) Business Days of a Redemption Trigger described in clause (a) above, the Company shall issue a promissory note to each Holder payable in the amounts due to such Holder upon receipt of Net Cash Proceeds by the Company as contemplated by this section, which promissory note shall be in form and substance reasonably satisfactory to Holders holding at least a majority of the 2018 Securities and 2018 Interest Securities, taken together, and the Company, including with respect to covenants and other relevant terms from the Indenture as applicable, and which shall mature on the earlier of (x) five (5) Business Days following the Company's receipt of proceeds contemplated by the applicable Arbitration Award and (y) the Stated Maturity of the 2018 Securities; and (ii) in the case of a Redemption Trigger described in clause (a) above, at any time following receipt of notice from the Company as provided herein and prior to the receipt by a Holder of the applicable redemption amount, such Holder may notify the Company that it elects to not have its 2018 Securities and 2018 Interest Securities (or any portion thereof) so redeemed, in which case the applicable Securities of such Holder shall not be redeemed and the amounts that would have otherwise been payable to such Holder shall be available for distribution to the Holders of the Securities which are being redeemed in accordance herewith if such Holders would not otherwise receive payment of the entire Redemption Price.

Company's Right to Redeem. The Company may, at its option, redeem the 2018 Securities, in whole or in part, upon twenty (20) days' notice to the Holders, for a number of Common Shares per 2018 Security equal to the Principal Amount of such 2018 Security divided by the Conversion Price, plus an amount of cash equal to any then accrued and unpaid interest, if the closing sale price of the Company's Common Shares is equal to or greater than 200% of the Conversion Price for at least twenty (20) trading days during any period of thirty (30) consecutive trading days; *provided*, that such notice is given by the Company within five (5) days of the end of such thirty (30) trading day period.

Offer to Purchase By the Company upon a Fundamental Change. In the event of a Fundamental Change with respect to the Company at any time prior to December 31, 2018, the Company will be required to make an offer to purchase (the "**Fundamental Change Purchase Offer**") all Outstanding 2018 Securities, together with the 2018 Interest Securities then Outstanding, at a purchase price equal to (i) the Principal Amount, plus (ii) accrued but unpaid interest, including Additional Amounts, if any, up to, but excluding, the purchase date (the "**Fundamental Change Purchase Date**") plus (iii) if a Redemption Trigger (as defined under "Company's Obligation to Redeem" above) has occurred prior to the date of the applicable Fundamental Change, but the Company has not yet made payments to the Holders as provided above, an additional 20% of the Principal Amount of the 2018 Securities; *provided*, that the amounts set forth in clause (iii) shall not be payable to any Holder of the 2018 Securities or the 2018 Interest Securities with respect to any Fundamental Change principally arising out of, or in connection with, any actions of such Holder or in which such Holder is an active participant (excluding, for the avoidance of doubt, voting in favor of any Fundamental Change that does not principally arise out of, or is not caused by, the actions of such Holder) (such amounts collectively, the "**Fundamental Change Purchase Price**"). Subject to the satisfaction of certain conditions set forth in this 2018 Security and in Article XV of the Indenture, the Company will have the right to pay the Fundamental Change Purchase Price by delivering Common Shares, cash or a combination of Common Shares and cash, as set forth in the Indenture.

Within thirty (30) Business Days after the occurrence of a Fundamental Change with respect to the Company, the Company shall mail to the Trustee and all Holders of the 2018 Securities and 2018 Interest Securities at their addresses shown in the Security Register, and to beneficial owners of the 2018 Securities and 2018 Interest Securities as may be required by applicable law, a notice (the "**Fundamental Change Notice**") of the occurrence of such Fundamental Change and the Fundamental Change Purchase Offer arising as a result thereof. The Company shall be required to purchase 2018 Securities in respect of which such offer is accepted by a Holder, together with the 2018 Interest Securities in respect of which such offer is accepted by a Holder, no later than thirty (30) Business Days after a Fundamental Change Notice has been mailed.

To accept the Fundamental Change Purchase Offer, a Holder of 2018 Securities or 2018 Interest Securities must deliver to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Purchase Notice and the Trustee, on or before the close of business on the third (3rd) Business Day immediately preceding the Fundamental Change Purchase Date, (i) written notice of acceptance of the Fundamental Change Purchase Offer in the form set forth in the Fundamental Change Purchase Offer Acceptance Notice on the back of this 2018 Security ("**Fundamental Change Purchase Notice**"), or any other form of written notice substantially similar to the Fundamental Change Purchase Notice, in each case, duly completed and signed, with appropriate signature guarantee, and (ii) such 2018 Securities that the Holder wishes to tender for purchase by the Company pursuant to the Fundamental Change Offer, duly endorsed for transfer to the Company.

Holders have the right to withdraw any Fundamental Change Purchase Notice by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

Conversion. Subject to and in compliance with the provisions of the Indenture (including without limitation the conditions of conversion of this 2018 Security set forth in Section 16.01 thereof), the Holder hereof has the right, at its option upon not less than three (3) days' notice to the Company, to convert the Principal Amount hereof or any portion of such principal which is $1,000 or an integral multiple of $1.00 in excess thereof, into, subject to Section 16.02 of the Indenture, Common Shares at the initial conversion rate of 333.3333 Common Shares per $1,000 Principal Amount of 2018 Securities (the "**Conversion Rate**") (equivalent to a Conversion Price of $3.00), subject to adjustment in certain events described in the Indenture. Upon conversion of a 2018 Security, the Company will have the option to deliver Common Shares, cash or a combination of Common Shares and cash for the 2018 Securities surrendered, as set forth in the Indenture. No fractional shares will be issued upon any conversion, but an adjustment and payment in cash will be made, as provided in the Indenture, in respect of any fraction of a share which would otherwise be issuable upon the surrender of any 2018 Securities for conversion. The Trustee will initially act as Conversion Agent. A Holder may convert fewer than all of such Holder's 2018 Securities so long as the Principal Amount of the 2018 Securities converted is $1,000 or an integral multiple of $1.00 in excess thereof.

[**INCLUDE IF 2018 SECURITY IS A GLOBAL SECURITY** – In the event of a deposit or withdrawal of an interest in this 2018 Security, including an exchange, transfer, repurchase or conversion of this 2018 Security in part only, the Trustee, as custodian of the Depositary, shall make an adjustment on its records to reflect such deposit or withdrawal in accordance with the rules and procedures of the Depositary.]

If an Event of Default shall occur and be continuing, the Principal Amount plus accrued but unpaid interest, including Additional Amounts, if any, may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the 2018 Securities under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate Principal Amount of the Outstanding Securities, on behalf of the Holders of all the Securities, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this 2018 Security shall be conclusive and binding upon such Holder and upon all future Holders of this 2018 Security and of any 2018 Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this 2018 Security.

As provided in and subject to the provisions of the Indenture, the Holder of this 2018 Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities, the Holders of not less than 25% in aggregate Principal Amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity satisfactory to it, and the Trustee shall not have received from the Holders of a majority in Principal Amount of Outstanding Securities a direction inconsistent with such request, and shall have failed to institute any such proceeding, for sixty (60) days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this 2018 Security for the enforcement of any payment of said principal hereof on or after the respective due dates expressed herein or for the enforcement of any conversion right.

No reference herein to the Indenture and no provision of this 2018 Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the Principal Amount, Redemption Price or Fundamental Change Purchase Price of, and interest, including Additional Amounts, if any, on, this 2018 Security at the times, place and rate, and in the coin, currency or shares, herein prescribed. Notwithstanding the foregoing, prior to the occurrence of a Fundamental Change, the Company may, with the consent of the Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class, amend the obligation of the Company to repurchase the 2018 Securities and the 2018 Interest Securities upon a Fundamental Change.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this 2018 Security is registrable in the Security Register, upon surrender of this 2018 Security for registration of transfer at the office or agency of the Company in The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new 2018 Securities, of authorized denominations and for the same aggregate Principal Amount, will be issued to the designated transferee or transferees.

The 2018 Securities are issuable only in registered form in denominations of $1,000 and any integral multiple of $1.00 above that amount, as provided in the Indenture and subject to certain limitations therein set forth. Securities are exchangeable for a like aggregate Principal Amount of 2018 Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this 2018 Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this 2018 Security is registered as the owner hereof for all purposes, whether or not this 2018 Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This 2018 Security shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this 2018 Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ASSIGNMENT FORM

If you want to assign this 2018 Security, fill in the form below and have your signature guaranteed:

I or we assign and transfer this 2018 Security to:

_____

_____

_____

(Print or type name, address and zip code and social security or tax ID number of assignee)

and irrevocably appoint _____ agent to transfer this 2018 Security on the books of the Company. The agent may substitute another to act for him.

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

CONVERSION NOTICE

If you want to convert this 2018 Security into Common Shares of the Company (or cash or a combination of cash and Common Shares, at the Company's option), check the box: ☐

To convert only part of this 2018 Security, state the Principal Amount to be converted (which must be $1,000 or an integral multiple of $1.00 in excess thereof):

$_____

If you want the stock certificate and 2018 Securities (if any) to be delivered, made out in another person's name, fill in the form below:

_____

(Insert other person's social security or tax ID no.)

_____

_____

(Print or type other person's name, address and zip code)

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

FUNDAMENTAL CHANGE PURCHASE OFFER ACCEPTANCE NOTICE

If you elect to have this 2018 Security purchased by the Company pursuant to the applicable provisions of the Indenture, check the box: '

If you elect to have only part of this 2018 Security purchased by the Company, state the Principal Amount to be purchased (which must be $1,000 or an integral multiple of $1.00 in excess thereof):

$_____

The undersigned hereby accepts the Fundamental Change Purchase Offer pursuant to the applicable provisions of the 2018 Securities.

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If Certificated 2018 Securities have been issued, the certificate numbers shall be stated in this notice.

NOTICE OF ELECTION UPON TAX REDEMPTION

If you elect not to have this 2018 Security redeemed by the Company, check the box: '

If you elect to have only part of this 2018 Security redeemed by the Company, state the Principal Amount to be redeemed (which must be $1,000 or an integral multiple of $1.00 in excess thereof):

$_____

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this 2018 Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SECTION 2.06. Amendment of Article II – Amendment of Section 2.09 – Form of Face of Security (2018 Interest Security).

Section 2.09 of the Indenture is hereby amended and restated to read in its entirety as follows:

Section 2.09. Form of Face of Security (2018 Interest Security).

[**INCLUDE IF 2018 INTEREST SECURITY IS A GLOBAL SECURITY** — THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), A NEW YORK CORPORATION, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

[**INCLUDE IF 2018 INTEREST SECURITY IS A PHYSICAL SECURITY** — IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOLLOWING RESTRICTIONS.]

[**INCLUDE IF 2018 INTEREST SECURITY IS A PHYSICAL SECURITY (PRIVATE PLACEMENT LEGEND)** — THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE " **SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT IT IS AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(a)(1), (2), (3), OR (7) UNDER THE SECURITIES ACT) (AN "**ACCREDITED INVESTOR**"), (2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO AN ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE FOR THIS SECURITY), (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (D) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY, IF THE PROPOSED TRANSFEREE IS AN ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.]

[INCLUDE FOR ALL 2018 INTEREST SECURITIES ISSUED WITHIN FOUR MONTHS OF THE DATE OF ISSUANCE OF THE 2018 SECURITIES (PRIVATE PLACEMENT LEGEND) — WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND ONE DAY AFTER DATE OF ISSUANCE OF THE 2018 SECURITIES].

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS FOUR MONTHS AND ONE DAY AFTER DATE OF ISSUANCE OF THE 2018 SECURITIES].]

[**INCLUDE IF 2018 INTEREST SECURITY IS ISSUED WITH ORIGINAL ISSUE DISCOUNT** — THIS SECURITY WAS ISSUED WITH ORIGINAL ISSUE DISCOUNT UNDER SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. YOU MAY CONTACT ROBERT MCGUINNESS, THE CHIEF FINANCIAL OFFICER OF THE COMPANY, AT RMCGUINNESS@GOLDRESERVEINC.COM OR BY PHONE AT 509-623-1500, WHO WILL PROVIDE YOU WITH ANY REQUIRED INFORMATION REGARDING THE ORIGINAL ISSUE DISCOUNT.]

GOLD RESERVE INC.

11% Senior Secured Interest Notes due 2018

No. ● CUSIP NO. [_____] U.S. $●
ISIN [_____]

Gold Reserve Inc., a corporation incorporated under the laws of Alberta, Canada (herein called the "**Company**", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received hereby promises to pay to [●][**INCLUDE IF 2018 INTEREST SECURITY IS A GLOBAL SECURITY** —Cede & Co.], or registered assigns, the principal sum of [●] United States Dollars ($[●]) [**INCLUDE IF 2018 INTEREST SECURITY IS A GLOBAL SECURITY** — (which amount may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary, in accordance with the rules and procedures of the Depositary)] on December 31, 2018. Payment of the principal of this Security shall be made by wire transfer or check mailed to the address of the Holder of this Security specified in the register of Securities, or, at the option of the Holder of this Security, at the Corporate Trust Office, in such lawful money of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. The Issue Date of this Security is [●].

Reference is made to the further provisions of this Security set forth on the reverse hereof, including, without limitation, provisions giving the obligation or option of the Company to repurchase this Security upon certain events on the terms and subject to the limitations referred to on the reverse hereof and as more fully specified in the Indenture. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Security shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with and governed by the laws of said State.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually signed by the Trustee or a duly authorized authenticating agent under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

GOLD RESERVE INC.

By: _____
Authorized Signatory

Attest:

By: _____
Authorized Signatory

SECTION 2.07. Amendment of Article II – Amendment Section 2.10 – Form of Reverse of Security (2018 Interest Security).

Section 2.10 of the Indenture is hereby amended and restated to read in its entirety as follows:

Section 2.10. Form of Reverse of Security (2018 Interest Security).

This Security is one of a duly authorized issue of Securities of the Company, designated as its 11% Senior Secured Interest Notes due 2018 (herein called the "**2018 Interest Securities**"), all to be issued under and pursuant to an indenture (herein called the "**Original Indenture**"), dated as of May 18, 2007, among the Company, U.S. Bank National Association, as successor to The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (herein called the " **Trustee**"), and Computershare Trust Company of Canada, as successor to BNY Trust Company of Canada, as co-trustee (herein called the "**Co-Trustee**"), as supplemented by the first supplemental indenture, dated as of December 4, 2012 (the "**First Supplemental Indenture**"), the second supplemental indenture, dated as of June 18, 2014 (the "**Second Supplemental Indenture**"), the third supplemental indenture, dated as of September 24, 2014 (the "**Third Supplemental Indenture**") and the fourth supplemental indenture, dated as of November 30, 2015 (the "**Fourth Supplemental Indenture**" and together with the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the "**Indenture**"), each among the Company, the Trustee and the Co-Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Co-Trustee, the Company and the Holders of the 2018 Interest Securities. Terms used herein which are defined in the Indenture have the meanings assigned to them in the Indenture.

The indebtedness evidenced by the 2018 Interest Securities is secured indebtedness of the Company and will rank (i) equal in right of payment with the Company's other secured indebtedness that is permitted to be secured on a *pari passu* basis, including the 2018 Securities and those certain 5.465% Contingent Value Rights, (ii) equal in right of payment to the 2022 Notes, (iii) effectively senior in right of payment to the Company's existing and future unsecured indebtedness to the extent of the value of the Collateral securing the 2018 Securities and the 2018 Interest Securities and (iv) senior in right of payment to all of the Company's future subordinated debt; *provided*, that any future incurrence of additional indebtedness by the Company or the provision of security interests with respect to any indebtedness in the future must be incurred or provided, as applicable, in compliance with the terms of the Indenture, including the Fourth Supplemental Indenture.

Interest. The Company, promises to pay interest on the principal amount of this 2018 Interest Security at the rate of 11% per annum payable in additional 2018 Interest Securities. Interest will accrue and be capitalized quarterly and be payable on June 30, September 30, December 31 and March 31 of each year commencing on the first interest payment date following the Issue Date of this 2018 Interest Security.

Interest will be paid to the person in whose name a 2018 Interest Security is registered at the close of business on or, as the case may be, immediately preceding the Regular Record Date immediately preceding the relevant interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Interest on each 2018 Interest Security shall accrue from the interest payment date in respect of which such 2018 Interest Security was issued under the Indenture.

The Holder of this 2018 Interest Security after 5:00 p.m., New York City time, on a Regular Record Date shall be entitled to receive interest, on this Security on the corresponding interest payment date. The Holder of this 2018 Interest Security after 5:00 p.m., New York City time, on a Regular Record Date will receive payment of interest payable on the corresponding interest payment date at any time after the close of business on such Regular Record Date.

Method of Payment. By no later than 10:00 a.m. (New York City time) on the date on which any principal on any 2018 Interest Security is due and payable, the Company shall deposit with the Paying Agent money sufficient to pay such amount. The Company will pay principal in money of the United States that at the time of payment is legal tender for payment of public and private debts. Payments in respect of 2018 Interest Securities represented by a Global Security will be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Company ("**DTC**"). The Company will pay principal of Physical Securities at the office or agency designated by the Company in the Borough of Manhattan, The City of New York. Interest will be payable in additional 2018 Interest Securities. Not later than three (3) Business Days prior to the relevant interest payment date, the Company shall deliver to the Trustee an order to authenticate and deliver such additional 2018 Interest Securities. Interest on the 2018 Interest Securities will be payable (x) with respect to 2018 Interest Securities represented by a Global Security, by issuing and having authenticated a new Global Security representing the 2018 Interest Securities in an amount equal to the amount of interest payable for the applicable interest period (each Global Security to be rounded up to the nearest $1.00) and (y) with respect to 2018 Interest Securities represented by Physical Securities, by issuing and having authenticated 2018 Interest Securities represented by Physical Securities in an aggregate principal amount equal to the amount of interest payable for the applicable period (each Physical Security to be rounded up to the nearest $1.00), and the Trustee will, at the request of the Company, authenticate and deliver such Physical Securities for original issuance to the Holders on the relevant Regular Record Date, as shown in the Security Register. Following the issuance of a new Global Security representing the 2018 Interest Securities as a result of an interest payment, the Global Security will bear interest from and after the relevant date of issue. Any 2018 Interest Securities issued as Physical Securities will be dated as of the applicable interest payment date and will bear interest from and after such date. All 2018 Interest Securities issued pursuant to an interest payment date will be governed by, and subject to the terms, provisions and conditions of, the Indenture.

Additional Amounts. The Company shall pay to the Holders such Additional Amounts as may become payable under Section 12.09 of the Indenture.

Redemption for Tax Reasons. The Company may, at its option, redeem the 2018 Interest Securities, in whole but not in part, for an amount equal to (i) 100% of the Principal Amount of the 2018 Interest Securities, plus (ii) accrued and unpaid interest (including Additional Amounts, if any), to, but excluding, the Redemption Date plus (iii) an additional 20% of the Principal Amount of the 2018 Interest Securities (such amounts collectively, the "**Redemption Price**"), if the Company has become or would become obligated to pay to the Holders Additional Amounts (which are more than a *de minimis* amount) as a result of any amendment or change occurring after November 30, 2015 in the laws or any regulations of Canada or any Canadian political subdivision or taxing authority, or any change occurring after November 30, 2015 in the interpretation or application of any such laws or regulations by any legislative body, court, governmental agency, taxing authority or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory or administrative determination); *provided* the Company cannot avoid these obligations by taking reasonable measures available to it and that it delivers to the Trustee an opinion of Canadian legal counsel specializing in taxation and an Officers' Certificate attesting to such change and obligation to pay Additional Amounts. The Company will not and will not cause any Paying Agent or the Trustee to deduct from such Redemption Price any amounts on account of, or in respect of, any Canadian Taxes other than Excluded Taxes (except in respect of certain Excluded Holders). In such event, the Company will give the Trustee and the Holders of the 2018 Interest Securities not less than thirty (30) days' nor more than sixty (60) days' notice of redemption, except that (i) the Company will not give notice of redemption earlier than sixty (60) days prior to the earliest date on or from which it would be obligated to pay any such Additional Amounts, and (ii) at the time the Company gives the notice, the circumstances creating its obligation to pay such Additional Amounts remain in effect.

Upon receiving such notice of redemption, each Holder who does not wish to have the Company redeem its 2018 Interest Securities pursuant to Article XIII of the Indenture can elect to not have its 2018 Interest Securities redeemed, provided that no Additional Amounts will be payable on any payment of interest or principal with respect to the 2018 Interest Securities after such Redemption Date. All future payments will be subject to the deduction or withholding of any Canadian Taxes required to be deducted or withheld.

Where no such election is made, the Holder will have its 2018 Interest Securities redeemed without any further action. If a Holder wishes to elect to not have its 2018 Interest Securities redeemed, such Holder must deliver to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the notice of redemption, a written Notice of Election (the "**Notice of Election**") on the back of this 2018 Interest Security, or any other form of written notice substantially similar to the Notice of Election, in each case, duly completed and signed, so as to be received by the Paying Agent no later than the close of business on a Business Day at least five (5) Business Days prior to the Redemption Date.

A Holder may withdraw any Notice of Election by delivering to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the Company in the notice of redemption, a written notice of withdrawal prior to the close of business on the Business Day prior to the Redemption Date.

If cash sufficient to pay the Redemption Price of all 2018 Interest Securities (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent prior to 10:00 a.m., New York City time, on the Redemption Date, then on such Redemption Date, interest, including Additional Amounts, if any, shall cease to accrue on such 2018 Interest Securities or portions thereof.

Company's Obligation to Redeem. The Company shall redeem the 2018 Securities then Outstanding, together with the 2018 Interest Securities then Outstanding, in whole or in part, for an amount of cash equal to 120% of the Outstanding Principal Amount of the 2018 Securities and 2018 Interest Securities, taken together, plus accrued and unpaid interest, 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) the Company's receipt of Proceeds from a Mining Data Sale (the occurrence of an event described in (a) or (b) may be referred to as a **"Redemption Trigger"**), in each case, notwithstanding any other notice provision herein, upon twenty (20) days' notice to the Holders (which notice shall be provided within ten (10) days of the issuance of a final Arbitration Award or Company's receipt of any such Proceeds, as applicable); *provided*, *however*, that following the issuance of a final Arbitration Award, the Company shall not be obligated to effect any redemption pursuant to this paragraph unless the Company receives cash proceeds in excess of $20,000,000, net of (i) taxes and (ii) $13,500,000 to fund professional fees and expenses and accrued and unpaid prospective operating expenses (such net amount, collectively the "**Net Cash Proceeds**"), in which case the Company shall give notice to the Holders of 2018 Interest Securities within two (2) Business Days after receipt of such funds of its intent to redeem and shall promptly, and in any event within five (5) Business Days, redeem the 2018 Securities and the 2018 Interest Securities to the extent of such Net Cash Proceeds received in excess of $20,000,000, subject to the following sentence. In respect of any given receipt of Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, by the Company, the Company's redemption obligations in this paragraph shall be limited to the amount of the Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, received by the Company, and if the amount of Net Cash Proceeds, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, received is insufficient to redeem all of the 2018 Securities and the 2018 Interest Securities then Outstanding, the Company shall redeem a *pro rata* portion of each Holder's applicable Securities determined on the basis of the Principal Amount of the applicable Securities held by each Holder as among all Outstanding 2018 Securities and 2018 Interest Securities, taken together, held by all Holders (*provided*, *further*, that any subsequent receipt of additional Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, shall be applied in a similar manner until such time as the redemption obligations have been satisfied in full). Notwithstanding the foregoing or anything to the contrary herein, (i) within five (5) Business Days of a Redemption Trigger described in clause (a) above, the Company shall issue a promissory note to each Holder payable in the amounts due to such Holder upon receipt of Net Cash Proceeds by the Company as contemplated by this section, which promissory note shall be in form and substance reasonably satisfactory to Holders holding at least a majority of the 2018 Securities and 2018 Interest Securities, taken together, and the Company, including with respect to covenants and other relevant terms from the Indenture as applicable, and which shall mature on the earlier of (x) five (5) Business Days following the Company's receipt of proceeds contemplated by the applicable Arbitration Award and (y) the Stated Maturity of the 2018 Securities; and (ii) in the case of a Redemption Trigger described in clause (a) above, at any time following receipt of notice from the Company as provided herein and prior to the receipt by a Holder of the applicable redemption amount, such Holder may notify the Company that it elects to not have its 2018 Securities and 2018 Interest Securities (or any portion thereof) so redeemed, in which case the applicable Securities of such Holder shall not be redeemed and the amounts that would have otherwise been payable to such Holder shall be available for distribution to the Holders of the Securities which are being redeemed in accordance herewith if such Holders would not otherwise receive payment of the entire Redemption Price.

Offer to Purchase By the Company upon a Fundamental Change. In the event of a Fundamental Change with respect to the Company at any time prior to December 31, 2018, the Company will be required to make an offer to purchase (the "**Fundamental Change Purchase Offer**") all Outstanding 2018 Interest Securities, together with the 2018 Securities then Outstanding, at a purchase price equal to (i) the Principal Amount, plus (ii) accrued but unpaid interest, including Additional Amounts, if any, up to, but excluding, the purchase date (the "**Fundamental Change Purchase Date**") plus (iii) if a Redemption Trigger (as defined under "Company's Obligation to Redeem" above) has occurred prior to the date of the applicable Fundamental Change, but the Company has not yet made payments to the Holders as provided above, an additional 20% of the Principal Amount of the 2018 Securities; *provided*, that the amounts set forth in clause (iii) shall not be payable to any Holder of the 2018 Securities or the 2018 Interest Securities with respect to any Fundamental Change principally arising out of, or in connection with, any actions of such Holder or in which such Holder is an active participant (excluding, for the avoidance of doubt, voting in favor of any Fundamental Change that does not principally arise out of, or is not caused by, the actions of such Holder) (such amounts collectively, the "**Fundamental Change Purchase Price**"). Subject to the satisfaction of certain conditions set forth in this 2018 Interest Security and in Article XV of the Indenture, the Company will have the right to pay the Fundamental Change Purchase Price by delivering Common Shares, cash or a combination of Common Shares and cash, as set forth in the Indenture.

Within thirty (30) Business Days after the occurrence of a Fundamental Change with respect to the Company, the Company shall mail to the Trustee and all Holders of the 2018 Interest Securities and 2018 Securities at their addresses shown in the Security Register, and to beneficial owners of the 2018 Interest Securities and 2018 Securities as may be required by applicable law, a notice (the "**Fundamental Change Notice**") of the occurrence of such Fundamental Change and the Fundamental Change Purchase Offer arising as a result thereof. The Company shall be required to purchase 2018 Interest Securities in respect of which such offer is accepted by a Holder, together with the 2018 Securities in respect of which such offer is accepted by a Holder, no later than thirty (30) Business Days after a Fundamental Change Notice has been mailed.

To accept the Fundamental Change Purchase Offer, a Holder of 2018 Interest Securities or 2018 Securities must deliver to the Company (if it is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the Fundamental Change Purchase Notice and the Trustee, on or before the close of business on the third (3rd) Business Day immediately preceding the Fundamental Change Purchase Date, (i) written notice of acceptance of the Fundamental Change Purchase Offer in the form set forth in the Fundamental Change Purchase Offer Acceptance Notice on the back of this 2018 Interest Security ("**Fundamental Change Purchase Notice**"), or any other form of written notice substantially similar to the Fundamental Change Purchase Notice, in each case, duly completed and signed, with appropriate signature guarantee, and (ii) such 2018 Interest Securities that the Holder wishes to tender for purchase by the Company pursuant to the Fundamental Change Offer, duly endorsed for transfer to the Company.

Holders have the right to withdraw any Fundamental Change Purchase Notice by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

Conversion. The 2018 Interest Securities are not convertible for any other security, including Common Shares.

[**INCLUDE IF 2018 INTEREST SECURITY IS A GLOBAL SECURITY** – In the event of a deposit or withdrawal of an interest in this 2018 Interest Security, including an exchange, transfer or repurchase of this 2018 Interest Security in part only, the Trustee, as custodian of the Depositary, shall make an adjustment on its records to reflect such deposit or withdrawal in accordance with the rules and procedures of the Depositary.]

If an Event of Default shall occur and be continuing, the Principal Amount plus accrued but unpaid interest, including Additional Amounts, if any, may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the 2018 Interest Securities under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate Principal Amount of the Outstanding Securities, on behalf of the Holders of all the Securities, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this 2018 Interest Security shall be conclusive and binding upon such Holder and upon all future Holders of this 2018 Interest Security and of any 2018 Interest Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this 2018 Interest Security.

As provided in and subject to the provisions of the Indenture, the Holder of this 2018 Interest Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities, the Holders of not less than 25% in aggregate Principal Amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity satisfactory to it, and the Trustee shall not have received from the Holders of a majority in Principal Amount of Outstanding Securities a direction inconsistent with such request, and shall have failed to institute any such proceeding, for sixty (60) days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this 2018 Interest Security for the enforcement of any payment of said principal hereof on or after the respective due dates expressed herein or for the enforcement of any conversion right.

No reference herein to the Indenture and no provision of this 2018 Interest Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the Principal Amount, Redemption Price or Fundamental Change Purchase Price of, and interest, including Additional Amounts, if any, on, this 2018 Interest Security at the times, place and rate, and in the coin, currency or shares, herein prescribed. Notwithstanding the foregoing, prior to the occurrence of a Fundamental Change, the Company may, with the consent of the Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class, amend the obligation of the Company to repurchase the 2018 Interest Securities and the 2018 Securities upon a Fundamental Change.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this 2018 Interest Security is registrable in the Security Register, upon surrender of this 2018 Interest Security for registration of transfer at the office or agency of the Company in The City of New York, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new 2018 Interest Securities, of authorized denominations and for the same aggregate Principal Amount, will be issued to the designated transferee or transferees.

The 2018 Interest Securities are issuable only in registered form in denominations of $1,000 and any integral multiple of $1.00 above that amount, as provided in the Indenture and subject to certain limitations therein set forth. Securities are exchangeable for a like aggregate Principal Amount of 2018 Interest Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this 2018 Interest Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this 2018 Interest Security is registered as the owner hereof for all purposes, whether or not this 2018 Interest Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This 2018 Interest Security shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this 2018 Interest Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ASSIGNMENT FORM

If you want to assign this 2018 Interest Security, fill in the form below and have your signature guaranteed:

I or we assign and transfer this 2018 Interest Security to:

_____

_____

_____

(Print or type name, address and zip code and social security or tax ID number of assignee)

and irrevocably appoint _____ agent to transfer this 2018 Interest Security on the books of the Company. The agent may substitute another to act for him.

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

FUNDAMENTAL CHANGE PURCHASE OFFER ACCEPTANCE NOTICE

If you elect to have this 2018 Interest Security purchased by the Company pursuant to the applicable provisions of the Indenture, check the box: ¨

If you elect to have only part of this 2018 Interest Security purchased by the Company, state the Principal Amount to be purchased (which must be $1,000 or an integral multiple of $1.00 in excess thereof):

$_____

The undersigned hereby accepts the Fundamental Change Purchase Offer pursuant to the applicable provisions of the 2018 Interest Securities.

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

If Certificated 2018 Interest Securities have been issued, the certificate numbers shall be stated in this notice.

NOTICE OF ELECTION UPON TAX REDEMPTION

If you elect not to have this 2018 Interest Security redeemed by the Company, check the box: '

If you elect to have only part of this 2018 Interest Security redeemed by the Company, state the Principal Amount to be redeemed (which must be $1,000 or an integral multiple of $1.00 in excess thereof):

$_____

Date: _____ Signed: _____

(Sign exactly as your name appears on the other side of this 2018 Interest Security)

Signature Guarantee: _____

Note: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("**STAMP**") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SECTION 2.08. Amendment of Article III – Amendment of Sections 3.01, 3.02 and 3.03.

Sections 3.01, 3.02 and 3.03 of the Indenture are hereby amended and restated to read in their entirety as follows:

Section 3.01. Title; Amount And Issue Of Securities; Principal And Interest. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited. Securities may be issued in one or more series.

Original Securities. The Company established the Original Securities designated as the "5.50% Senior Subordinated Convertible Notes due June 15, 2022" of the Company. The aggregate Principal Amount of Original Securities initially issued under this Indenture was $103,500,000, and the aggregate Principal Amount of Original Securities that may be authenticated and delivered under this Indenture after the date of the Fourth Supplemental Indenture is limited to $0, except for Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of other Original Securities pursuant to Sections 3.03, 3.04, 3.06, 3.07, 3.08, 11.06, 13.05, 15.04 and 16.01. The Principal Amount of Original Securities shall be payable on June 15, 2022, unless earlier converted, redeemed or purchased. The Original Securities and any other Securities, if any, will be treated as a single class for purposes of this Indenture, including waivers, amendments and redemptions; *provided*, that notwithstanding the foregoing, in any instance in which the Original Securities are treated or affected differently from the other Securities, whether directly or indirectly, including but not limited to waivers, amendments and redemptions, the Original Securities shall be treated as a separate class for purposes of the Indenture.

The Original Securities shall bear interest at a rate of 5.50% per year. Interest on the Original Securities shall accrue from the Issue Date. Interest on the Original Securities shall be payable semiannually in arrears on June 15 and December 15, beginning December 15, 2007. Interest on the Original Securities shall be computed on the basis of a 360-day year of twelve 30-day months. Each rate of interest which is calculated with reference to a period (the "**Deemed Interest Period**") that is less than the actual number of days in the calendar year of calculation is, for the purposes of the Interest Act (Canada), equivalent to a rate based on a calendar year calculated by multiplying such number of days in the Deemed Interest Period. The amount of interest payable for any period shorter than a full quarterly period for which interest is computed, will be computed on the basis of the actual number of days elapsed in the period.

2018 Securities. The 2018 Securities shall be known and designated as the "11% Senior Secured Convertible Notes due 2018" of the Company. The aggregate Principal Amount of 2018 Securities that may be authenticated and delivered under this Indenture is initially limited to $57,057,717, except for 2018 Securities authenticated and delivered upon the registration of, transfer of, or in exchange for, or in lieu of other Securities pursuant to Sections 3.03, 3.04, 3.06, 3.07, 3.08, 11.06, 13.05, 15.04 and 16.01. The 2018 Securities may be issued under one or more CUSIP/ISIN numbers and the New Securities, the Restructuring Fee Securities and the 2018 Modified Securities are not required to be considered part of the same issue for federal income tax purposes. The Principal Amount of the 2018 Securities shall be payable on December 31, 2018, unless earlier converted, redeemed or repurchased. The 2018 Securities and any other Securities, if any, will be treated as a single class for purposes of the Indenture, including waivers, amendments and redemptions; *provided*, that notwithstanding the foregoing, in any instance in which the 2018 Securities are treated or affected differently from the other Securities, whether directly or indirectly, including but not limited to waivers, amendments and redemptions, the 2018 Securities and the 2018 Interest Securities, taken together, shall be treated as a separate class for purposes of the Indenture.

The 2018 Securities shall bear interest at a rate of 11% per year payable in 2018 Interest Securities. Interest on the 2018 Securities shall accrue from the Issue Date. Interest on the 2018 Securities shall accrue and be capitalized quarterly and be payable on June 30, September 30, December 31 and March 31 of each year commencing on March 31, 2016. Interest on the 2018 Securities shall be computed on the basis of a 360-day year of twelve 30-day months. Each rate of interest which is calculated with reference to a Deemed Interest Period that is less than the actual number of days in the calendar year of calculation is, for the purposes of the Interest Act (Canada), equivalent to a rate based on a calendar year calculated by multiplying such number of days in the Deemed Interest Period. The amount of interest payable for any period shorter than a full quarterly period for which interest is computed, will be computed on the basis of the actual number of days elapsed in the period.

The 2018 Securities shall be secured by a first lien on assets of the Company as provided in the Security Documents.

2018 Interest Securities. The 2018 Interest Securities shall be known and designated as the "11% Senior Secured Interest Notes due 2018" of the Company. The aggregate Principal Amount of 2018 Interest Securities that may be authenticated and delivered under this Indenture is initially limited to that aggregate principal amount required to be paid in respect of interest payments on the 2018 Securities and other outstanding 2018 Interest Securities in accordance with their terms, except for 2018 Interest Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of other Securities pursuant to Sections 3.03, 3.04, 3.06, 3.07, 3.08, 11.06, 13.05 and 15.04. The Principal Amount of the 2018 Interest Securities shall be payable on December 31, 2018, unless earlier redeemed or repurchased. The 2018 Interest Securities and any other Securities, if any, will be treated as a single class for purposes of the Indenture, including waivers, amendments and redemptions; *provided*, that notwithstanding the foregoing, in any instance in which the 2018 Interest Securities are treated or affected differently from the other Securities, whether directly or indirectly, including but not limited to waivers, amendments and redemptions, the 2018 Securities and the 2018 Interest Securities, taken together, shall be treated as a separate class for purposes of the Indenture.

The 2018 Interest Securities shall bear interest at a rate of 11% per year payable in additional 2018 Interest Securities. Interest on the 2018 Interest Securities shall accrue from the interest payment date in respect of which such 2018 Interest Security was issued under the Indenture. Interest on the 2018 Interest Securities shall accrue and be capitalized quarterly and be payable on June 30, September 30, December 31 and March 31 of each year commencing on the first interest payment date following the Issue Date of the 2018 Interest Security. Interest on the 2018 Interest Securities shall be computed on the basis of a 360-day year of twelve 30-day months. Each rate of interest which is calculated with reference to a Deemed Interest Period that is less than the actual number of days in the calendar year of calculation is, for the purposes of the Interest Act (Canada), equivalent to a rate based on a calendar year calculated by multiplying such number of days in the Deemed Interest Period. The amount of interest payable for any period shorter than a full quarterly period for which interest is computed, will be computed on the basis of the actual number of days elapsed in the period.

The 2018 Interest Securities shall be secured by a first lien on assets of the Company as provided in the Security Documents.

The Principal Amount of Physical Securities shall be payable at the office or agency designated by the Company in the Borough of Manhattan, The City of New York initially the Corporate Trust Office at 100 Wall Street, Suite 1600, New York, New York 10005. Interest (including Additional Amounts, if any) on Physical Securities (other than the 2018 Securities or the 2018 Interest Securities) shall be payable (i) to Holders having an aggregate Principal Amount of $5,000,000 or less, by check mailed to the Holders of these Securities and (ii) to Holders having an aggregate Principal Amount of more than $5,000,000, either by check mailed to each Holder or, upon application by a Holder to the Security Registrar not later than two days prior to the relevant Regular Record Date, by wire transfer in immediately available funds to that Holder's account within the United States, which application shall remain in effect until the Holder notifies, in writing, the Security Registrar to the contrary. Interest on the 2018 Securities and the 2018 Interest Securities will be payable in 2018 Interest Securities. Not later than three (3) Business Days prior to the relevant interest payment date, the Company shall deliver to the Trustee an order to authenticate and deliver such 2018 Interest Securities in the required amounts (such Security to be rounded up to the nearest whole dollar).

A Holder of any Security at 5:00 p.m., New York City time, on a Regular Record Date shall be entitled to receive interest (including Additional Amounts, if any), on such Security on the corresponding interest payment date. Holders of Securities after 5:00 p.m., New York City time, on a Regular Record Date will receive payment of interest (including Additional Amounts, if any) payable on the corresponding interest payment date notwithstanding, if applicable, the conversion of such Securities at any time after the close of business on such Regular Record Date. Securities surrendered for conversion during the period after 5:00 p.m., New York City time, on any Regular Record Date to 9:00 a.m., New York City time, on the corresponding interest payment date must be accompanied by (i) payment of an amount equal to the interest (including Additional Amounts, if any) that the Holder is to receive on the Securities (or, in the case of the 2018 Securities, an amount equal to the principal amount of 2018 Interest Securities that the Holder is to receive) or (ii) the written election of the Holder to offset the payment otherwise required pursuant to (i) against the principal amount of 2018 Interest Securities that the Holder is to receive on the Securities (or, in the case of the 2018 Securities, an amount equal to the principal amount of 2018 Interest Securities that the Holder is to receive). Notwithstanding the foregoing, no such payment of interest (including Additional Amounts, if any) need be made by any converting Holder (i) if the Company has specified a Redemption Date that is after a Regular Record Date and on or prior to the corresponding interest payment date, (ii) if the Company has specified a Fundamental Change Purchase Date during such period, or (iii) to the extent of any overdue interest (including Additional Amounts, if any) existing at the time of conversion of such Security. Except where Securities surrendered for conversion must be accompanied by payment as described above, no interest, Additional Amounts on converted Securities will be payable by the Company on any interest payment date subsequent to the date of conversion and delivery of the cash and Common Shares, if applicable, pursuant to Article XVI hereunder, together with any cash payment for any fractional share, upon conversion will be deemed to satisfy the Company's obligation to pay the principal amount of the Securities and accrued and unpaid interest and Additional Amounts, if any, to, but not including, the related Conversion Date.

Principal of and interest (including Additional Amounts, if any) on Global Securities (other than the 2018 Securities and the 2018 Interest Securities) shall be payable in immediately available funds to the Depository. Principal (including Additional Amounts, if any) on 2018 Securities and 2018 Interest Securities represented by Global Securities shall be paid in immediately available funds to the Depositary. Interest on the 2018 Securities and the 2018 Interest Securities will be payable in 2018 Interest Securities. Not later than three (3) Business Days prior to the relevant interest payment date, the Company shall deliver to the Trustee an order to authenticate and deliver such 2018 Interest Securities in the required amounts (such Security to be rounded up to the nearest whole dollar).

Section 3.02. Denominations. The Original Securities shall be issuable only in registered form without coupons and in denominations of $1,000 and any integral multiple of $1,000 above that amount. The 2018 Securities and the 2018 Interest Securities shall be issuable only in registered form without coupons and in denominations of $1,000 and any integral multiple of $1.00 above that amount.

The first paragraph of Section 3.03 of the Indenture is hereby amended and restated to read in its entirety as follows:

The Securities shall be executed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, its President, its Chief Operating Officer, its Chief Financial Officer, one of its Vice Presidents, its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

SECTION 2.09. Amendment of Article V - Amendment of Sections 5.01, 5.02 and 5.03.

Section 5.01 of the Indenture is hereby amended and restated to read in its entirety as follows:

Section 5.01. Company's Right to Redeem; Notices to Trustee.

(a) Beginning on June 16, 2012 the Company may, at its option, redeem all or part of the Original Securities for cash at a Redemption Price equal to 100% of the Principal Amount being redeemed plus accrued and unpaid interest to, but excluding, the Redemption Date.

(b) If the Company elects to redeem Original Securities, it shall notify the Trustee in writing at least forty-five (45) days before the Redemption Date (unless a shorter period is acceptable to the Trustee), but not more than sixty (60) days before the Redemption Date, of the Redemption Date, the Principal Amount of Redemption Securities to be redeemed, the Conversion Price and the Redemption Price payable on the Redemption Date. The Company shall give such notice to the Trustee in accordance with Section 5.03.

(c) In connection with any redemption, the Company shall furnish to the Trustee an Officers' Certificate stating that, in the opinion of the signers, all conditions precedent, if any, to the redemption have been complied with.

(d) For the avoidance of doubt, the 2018 Securities and the 2018 Interest Securities may only be redeemed in accordance with the provisions of Section 13.01, 13.08 or Section 13.09 hereof.

The last paragraph of Section 5.02 of the Indenture is hereby amended and restated to read in its entirety as follows:

For the avoidance of doubt, the provisions of Section 5.02 shall not apply to any redemption of 2018 Securities and/or 2018 Interest Securities pursuant to Section 13.08 of the Indenture.

Section 5.03 of the Indenture is hereby amended and restated to read in its entirety as follows:

Section 5.03. Notice of Redemption.

(a) At least thirty (30) days but not more than sixty (60) days before a Redemption Date with respect to Original Securities, the Company shall provide a notice of redemption (a "Notice of Redemption") to the Trustee and to each Holder of Securities to be redeemed at such Holder's address kept by the Registrar.

(b) The Notice of Redemption shall identify the Securities to be redeemed and shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) the applicable Conversion Rate (if applicable to the Securities to be redeemed) as of the Trading Day prior to the date of the mailing of the Notice of Redemption;

(iv) the name and address of the Paying Agent and the Conversion Agent, if applicable;

(v) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(vi) if applicable, that the Securities called for redemption may be converted at any time before the close of business on the second Business Day prior to the Redemption Date;

(vii) if applicable, that Holders who wish to convert Securities must comply with the procedures in Section 16.02;

(viii) that, unless the Company defaults in making payment of the Redemption Price for the Securities called for redemption, interest on the Securities will cease to accrue on and after the Redemption Date and the only remaining right of the Holder will be to receive payment of the Redemption Price upon presentation and surrender to the Paying Agent of the Securities;

(ix) if fewer than all the Outstanding Securities are to be redeemed, the certificate number and Principal Amounts of the particular Securities to be redeemed; and

(x) the CUSIP number or numbers for the Securities called for redemption.

(c) At the Company's request, the Trustee shall give the Notice of Redemption in the Company's name and at the Company's expense.

(d) For the avoidance of doubt, the provisions of this Section 5.03 shall not apply to any redemption of 2018 Securities and/or 2018 Interest Securities pursuant to Sections 13.08 or 13.09 of the Indenture.

SECTION 2.10. Amendment of Article VII – Amendment of Section 7.01 – Events of Default.

Section 7.01 of the Indenture is hereby amended as follows:

The word "or" at the end of clause (i) is deleted, the "." at the end of clause (g) is replaced with ";" and the following clauses (k) and (l) are added to the end of such Section 7.01:

(k) A material breach occurring and continuing under the Restructuring Agreement that, if curable, has not been cured by the Company within 20 Business Days following the receipt by the Company of notice of such breach; or

(l) The Security and Pledge Agreement shall for any reason cease to create a valid and (to the extent required thereunder) perfected first priority Lien on and security interest in the Collateral (other than Collateral that is individually or in the aggregate immaterial; including, for the avoidance of doubt, Collateral consisting of capital stock or other equity interests in a Subsidiary pledged or to be pledged thereunder which Subsidiary is a "shell" company or otherwise holds only immaterial assets), which has not been cured by the Company within twenty 20 Business Days following the receipt by the Company of notice of such cessation. For the purposes of this Section 7.01(l) only, the terms "Lien" and "Subsidiary" shall have the meaning assigned to it in the Security and Pledge Agreement.

SECTION 2.11. Amendment of Article VIII – Amendment of Section 8.07 – Compensation and Reimbursement.

Section 8.07 of the Indenture is hereby amended as follows:

The words "or under the Security Documents" are added in the following places: (i) after the word "hereunder" in Section 8.07(a); (ii) after the word "Indenture" in Section 8.07(b) and (iii) after the word "hereunder" in Section 8.07(c).

SECTION 2.12. Amendment of Article XI – Supplemental Indentures.

Article XI of the Indenture is hereby amended and restated to read in its entirety as follows:

ARTICLE XI
SUPPLEMENTAL INDENTURES AND AMENDMENTS

Section 11.01 Without Consent Of Holders. Without the consent of any Holder, the Company, when authorized by a Board Resolution, the Trustee and, if applicable, the Co-Trustee, at any time and from time to time, may amend, modify or supplement this Indenture, the Securities or any Security Document in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities;

(b) to add to covenants of the Company for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company;

(c) to provide for a successor Trustee with respect to the Securities;

(d) to add any additional Events of Default with respect to the Securities;

(e) to cure any ambiguity or defect, to correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Indenture or a Security Document which shall not be inconsistent with the provisions of this Indenture or a Security Document, *provided* that such action pursuant to this clause (e) shall not adversely affect the interests of the Holders under the Indenture in any material respect; or

(f) to secure the Securities;

(g) to reduce the Conversion Price; *provided, however*, that such reduction in the Conversion Price is in accordance with the terms of this Indenture or shall not adversely affect the interests of the Holders under the Indenture (after taking into account tax and other consequences of such reduction) in any material respect;

(h) to supplement any of the provisions of the Indenture or a Security Document to such extent as shall be necessary to permit or facilitate the discharge of the Securities; *provided, however* that such change or modification does not adversely affect the interests of the Holders under the Indenture in any material respect;

(i) to add or modify any other provisions herein or in a Security Document with respect to matters or questions arising hereunder which the Company and the Trustee may deem necessary or desirable and which would not reasonably be expected to adversely affect the interests of the Holders under the Indenture in any material respect;

(j) to conform this Indenture or the Securities to the description thereof under the caption "Description of Notes" in the Prospectus;

(k) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities any property or assets;

(l) to comply with any requirements of the Commission in connection with the qualification of this Indenture under the Trust Indenture Act; or

(m) provide for the accession or succession of any parties to the Security Documents (and other amendments that are administrative or ministerial in nature) in connection with an amendment, renewal, extension, substitution, refinancing, supplementing or other modification of any agreement permitted by this Indenture.

Section 11.02 With Consent Of Holders.

(a) With the consent of the Holders of not less than a majority in Principal Amount of the Outstanding Securities, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, the Trustee and, if applicable, the Co-Trustee may enter into an indenture or indentures supplemental hereto or amend the Security Documents for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or the Security Documents or of modifying in any manner the rights of the Holders under this Indenture or the Security Documents; *provided*, *however*, that no such supplemental indenture or amendment shall, without the consent of the Holder of each Outstanding Security affected thereby:

(i) extend the fixed Maturity of any Security;

(ii) reduce the Principal Amount of or reduce the interest rate on or extend the stated time for payment of interest, including Additional Amounts, if any, on any Security;

(iii) reduce the Redemption Price, Repurchase Price or Fundamental Change Purchase Price of any Security;

(iv) after the occurrence of a Fundamental Change, make any change that adversely affects the right of Holders of the Securities to require the Company to purchase such Securities in accordance with the terms thereof and this Indenture;

(v) make any change that impairs the right of Holders of Securities to convert any Security;

(vi) change the currency of any payment amount of any Security from U.S. Dollars or Common Shares as provided herein;

(vii) make any change that impairs the right of Holders to institute suit for payment of the Securities;

(viii) reduce the percentage in Principal Amount of the Outstanding Securities, the consent of whose Holders is required for any such supplemental indenture or amendment, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or the Security Documents or certain defaults hereunder or thereunder and their consequences) provided for in this Indenture or the Security Documents;

(ix) modify the obligation of the Company to maintain an agency in The City of New York as required under this Indenture;

(x) change the ranking of the notes in any manner that adversely affects the rights of Holders of Securities under this Indenture; or

(xi) modify any of the provisions of this Section or Section 7.13, except to increase any such percentage or to provide that certain other provisions of this Indenture or the Security Documents cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby.

Unless provided otherwise in the Security and Pledge Agreement, without the consent of at least a majority in aggregate principal amount of the 2018 Securities and 2018 Interest Securities then outstanding, an amendment, supplement or waiver may not modify any Security Document relating to such Securities or the provisions of this Indenture dealing with the Security Documents in any manner materially adverse to the holders of such Securities other than in accordance with this Indenture and the Security Documents. Notwithstanding the foregoing, to the extent requested by the Majority Holders, the Company, any additional Grantors (as defined in the Security and Pledge Agreement) and the Collateral Agent shall amend the provisions of the Security and Pledge Agreement to delineate between the 2018 Securities and 2018 Interest Securities, taken together, and the 5.465% Contingent Value Rights in such fashion as reasonably agreed by such Holders, the Company, any additional Grantors and the Collateral Agent (acting on its own behalf and not on behalf of the holders of the 5.465% Contingent Value Rights (as defined in the Security and Pledge Agreement)).

(b) The Holders of not less than a majority in aggregate Principal Amount of the Outstanding Securities may, on behalf of the Holders of all of the Securities, waive any past default and its consequences under this Indenture, except a default (i) in the payment of the Principal Amount of or any interest, including Additional Amounts, if any, on or with respect to the Securities or (ii) in respect of a covenant or provision that cannot be modified without the consent of the Holder of each Security affected thereby as set forth in clause (a) above.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture or amendment, but it shall be sufficient if such Act shall approve the substance thereof.

(c) Subject to the provisions of Section 11.02(a) requiring the consent of the Holder of each Outstanding Security, any amendment or modification to, or waiver of, any terms or provisions of this Indenture or the 2018 Securities and/or the 2018 Interest Securities issuable under this Indenture, in each case that applies only to either or both of such Securities or the Holders thereof, shall require the consent of Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and Outstanding 2018 Interest Securities, voting together as a single class.

Section 11.03 Execution Of Supplemental Indentures and Amendments. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article XI or the modifications thereby of the trusts created by this Indenture or any amendments to the Security Documents, the Trustee and, if applicable, the Co-Trustee shall be provided with, and (subject to Section 8.01) shall be fully protected in relying upon, in addition to the documents required by Section 1.02, an Opinion of Counsel stating that the execution of such supplemental indenture or amendment is authorized or permitted by this Indenture and such other conclusions as the Trustee and, if applicable, Co-Trustee may require. Subject to the preceding sentence, the Trustee and, if applicable, the Co-Trustee shall sign such supplemental indenture or amendment if the same does not affect the Trustee's and, if applicable, Co-Trustee's own rights, duties or immunities under this Indenture or amendment or otherwise or subject it to undue risk. The Trustee and, if applicable, the Co-Trustee may, but shall not be obligated to, enter into any such supplemental indenture or amendment which affects the Trustee's and, if applicable, Co-Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 11.04 Effect of Supplemental Indentures and Amendments. Upon the execution of any supplemental indenture or amendment under this Article XI, this Indenture or the Security Documents shall be modified in accordance therewith, and such supplemental indenture or amendment shall form a part of this Indenture or the Security Documents for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 11.05 Conformity With Trust Indenture Act. Every supplemental indenture executed pursuant to this Article XI shall conform to the requirements of the Trust Indenture Act.

Section 11.06 Reference In Securities To Supplemental Indentures. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article XI shall bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

SECTION 2.13. Amendment of Article XII – Amendment of Sections 12.09, 12.12, 12.13, 12.14 and 12.15, Insertion of New Section 12.16 – Covenants.

The second to last paragraph of Section 12.09 of the Indenture is hereby amended and restated to read in its entirety as follows:

With respect to the Original Securities, Additional Amounts will be paid in cash semi-annually on the applicable June 15 or December 15, at Maturity, on any Redemption Date, on a Repurchase Date, on a Conversion Date or on any Fundamental Change Purchase Date. With respect to the 2018 Securities and the 2018 Interest Securities, Additional Amounts will be paid in cash quarterly on the applicable June 30, September 30, December 31 or March 31, at Maturity, on any Redemption Date, on a Repurchase Date, on a Conversion Date (if applicable) or on any Fundamental Change Purchase Date.

Sections 12.12, 12.13, 12.14 and 12.15 of the Indenture are hereby amended and restated to read in their entirety as follows:

Section 12.12. Pledge of Mining Data and Arbitration Awards . Except as provided in this Fourth Supplemental Indenture and in the Security Documents, the Company shall not pledge, hypothecate, transfer or otherwise dispose of or encumber the Mining Data or any Arbitration Award (or permit any Subsidiary to take any of the foregoing actions) without the consent of Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class.

Section 12.13. Limitation on Incurrence of Indebtedness. The Company shall not incur any additional indebtedness (or permit any Subsidiary to incur any indebtedness) without the consent of Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class, which consent shall not be unreasonably withheld, denied or delayed; *provided*, that this Section 12.13 shall not apply to (i) the payment of principal, interest and/or premium, if any, on the 2018 Securities and 2018 Interest Securities, if any, (ii) the payment or incurrence of ordinary course obligations, including indebtedness (other than debt for borrowed money), of the Company consistent with past practice, (iii) the incurrence of other indebtedness that is expressly subordinated in right of payment (pursuant to terms, reasonably acceptable to the Majority Holders, which shall not be unreasonably withheld, denied or delayed) or (iv) the incurrence or payment of tax or withholding obligations as required under applicable law arising from the receipt of proceeds with respect to the Arbitration Award.

Section 12.14. Limitation on Liens. The Company will not incur, create or suffer to exist any liens securing indebtedness that are *pari passu* or senior in priority to the liens securing 2018 Securities and 2018 Interest Securities without the consent of Holders of not less than 75% in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class; *provided*, for the avoidance of doubt, that this Section 12.14 shall not apply to the payment of interest on the 2018 Securities and 2018 Interest Securities, if any, in 2018 Interest Securities or to the incurrence or existence of liens in respect of ordinary course obligations (other than borrowed money) of the Company consistent with past practice. Notwithstanding the foregoing, the Company may incur, create or suffer to exist liens securing indebtedness that are junior in priority to the liens securing 2018 Securities and 2018 Interest Securities, but only if, such junior priority indebtedness is subject to an intercreditor agreement among such junior debtholders, the Holders of the Outstanding Notes and the Company on terms reasonably satisfactory to the Majority Holders, providing for customary terms, including but not limited to, control of enforcement proceedings and related matters by the Majority Holders, and turnover of Collateral proceeds by holders of debt secured by junior liens; provided, that agreement to the terms of any such intercreditor agreement by the Majority Holders shall not be unreasonably withheld, denied or delayed.

Section 12.15. Limitation on Capital Expenditures. Capital expenditures of the Company and its Subsidiaries (including for exploration and related activities) shall not exceed an aggregate of $500,000 in any twelve (12) month period without the consent of Holders of not less than a majority in aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities, voting together as a single class.

Article XII of the Indenture is hereby amended by inserting the following as new Section 12.16:

Section 12.16. Limitation on Amendments, Payment of Fees and Repurchases of Securities. The Company shall not agree to any amendment to this Indenture or modification of the rights and obligations of the Company and the rights of Holders of any Security, provide any fees or other compensation whether in cash or in-kind to any Holder of any Security or engage in the repurchase, redemption or other defeasance of any Security without offering such terms, compensation or defeasance to all holders of the 2018 Securities and/or the 2018 Interest Securities, as applicable, on an equitable and *pro rata* basis; *provided*, that the foregoing shall not in any way limit the ability of the Company to redeem, repurchase or otherwise defease the Outstanding Original Securities without offering the terms of such redemption, repurchase or defeasance to the holders of the 2018 Securities and/or 2018 Interest Securities, as applicable.

SECTION 2.14. Amendment of Article XIII – Amendment Sections 13.01, 13.02, 13.08, 13.09, 13.10 and 13.11 – Redemption.

Sections 13.01, 13.02, 13.08, 13.09, 13.10 and 13.11 of the Indenture are hereby amended and restated to read in their entirety as follows:

Section 13.01. Redemption for Tax Reasons.

Original Securities. The Company may, at its option, redeem the Original Securities, in whole but not in part, at a redemption price equal to 100% of the Principal Amount of the Original Securities, plus accrued and unpaid interest (including Additional Amounts, if any), to, but excluding, the Redemption Date (collectively, the "Redemption Price" of the Original Securities), if the Company has become or would become obligated to pay to the Holders Additional Amounts (which are more than a *de minimis* amount) as a result of any amendment or change occurring from May 18, 2007 onwards in the laws or any regulations of Canada or any Canadian political subdivision or taxing authority, or any change occurring from May 18, 2007 onwards in an interpretation or application of such laws or regulations by any legislative body, court, governmental agency, taxing authority or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory or administrative determination); *provided* the Company cannot avoid these obligations by taking reasonable measures available to it and that it delivers to the Trustee an opinion of Canadian legal counsel specializing in taxation and an Officers' Certificate attesting to such change and obligation to pay Additional Amounts. The Company will not and will not cause any Paying Agent or the Trustee to deduct from such Redemption Price any amounts on account of, or in respect of, any Canadian Taxes other than Excluded Taxes (except in respect of certain Excluded Holders). In such event, the Company will give the Trustee and the Holders of the Securities not less than thirty (30) days' nor more than sixty (60) days' notice of this redemption pursuant to Section 13.02, except that (i) the Company will not give notice of redemption earlier than sixty (60) days prior to the earliest date on or from which it would be obligated to pay any such Additional Amounts, and (ii) at the time the Company gives the notice, the circumstances creating its obligation to pay such Additional Amounts remain in effect.

2018 Securities and 2018 Interest Securities. The Company may, at its option, redeem the 2018 Securities, together with the 2018 Interest Securities then Outstanding, in whole but not in part, for an amount equal to (i) 100% of the Principal Amount of the 2018 Securities and the 2018 Interest Securities, taken together, plus (ii) accrued and unpaid interest (including Additional Amounts, if any), to, but excluding, the Redemption Date plus (iii) an additional 20% of the Principal Amount of the 2018 Securities and the 2018 Interest Securities, taken together (collectively, the "Redemption Price" of the 2018 Securities and the 2018 Interest Securities), if the Company has become or would become obligated to pay to the Holders Additional Amounts (which are more than a *de minimis* amount) as a result of any amendment or change occurring after November 30, 2015 in the laws or any regulations of Canada or any Canadian political subdivision or taxing authority, or any change occurring after November 30, 2015 in the interpretation or application of any such laws or regulations by any legislative body, court, governmental agency, taxing authority or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory or administrative determination); *provided* the Company cannot avoid these obligations by taking reasonable measures available to it and that it delivers to the Trustee an opinion of Canadian legal counsel specializing in taxation and an Officers' Certificate attesting to such change and obligation to pay Additional Amounts. The Company will not and will not cause any Paying Agent or the Trustee to deduct from such Redemption Price any amounts on account of, or in respect of, any Canadian Taxes other than Excluded Taxes (except in respect of certain Excluded Holders). In such event, the Company will give the Trustee and the Holders of the 2018 Securities and the 2018 Interest Securities not less than thirty (30) days' nor more than sixty (60) days' notice of this redemption pursuant to Section 13.02, except that (i) the Company will not give notice of redemption earlier than sixty (60) days prior to the earliest date on or from which it would be obligated to pay any such Additional Amounts, and (ii) at the time the Company gives the notice, the circumstances creating its obligation to pay such Additional Amounts remain in effect.

Upon receiving such notice of redemption, each Holder who does not wish to have the Company redeem its Securities pursuant to this Section 13.01 can elect to (i) convert its Securities pursuant to Article XVI (other than the 2018 Interest Securities) or (ii) not have its Securities redeemed, provided that no Additional Amounts will be payable by the Company on any payment of interest or principal with respect to the Securities after such Redemption Date. Securities and portions of Securities that are to be redeemed are convertible by the Holder until 5:00 p.m., New York City time, on the Business Day immediately preceding the Redemption Date. All future payments will be subject to the deduction or withholding of any Canadian Taxes required to be deducted or withheld.

Where no such election is made, the Holder will have its Securities redeemed without any further action. If a Holder does not elect to convert its Securities pursuant to Article XVI (other than the 2018 Interest Securities) but wishes to elect to not have its Securities redeemed pursuant to clause (ii) of the preceding paragraph, such Holder must deliver to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the Company for such purpose in the notice of redemption, a written Notice of Election upon Tax Redemption (the "Notice of Election") on the back of the Securities, or any other form of written notice substantially similar to the Notice of Election, in each case, duly completed and signed, so as to be received by the Paying Agent no later than the Close of Business on a Business Day at least five (5) Business Days prior to the Redemption Date.

A Holder may withdraw any Notice of Election by delivering to the Company (if the Company is acting as its own Paying Agent), or to a Paying Agent designated by the Company in the notice of redemption, a written notice of withdrawal prior to the Close of Business on the Business Day prior to the Redemption Date.

For the avoidance of doubt, any reference herein to the Redemption Price of a series of Securities shall refer to the Redemption Price applicable to such series of Securities as set forth in this Section 13.01.

Section 13.02. Notice of Redemption.

The notice of redemption shall identify the Securities to be redeemed and shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) the then current Conversion Rate (if applicable to the Securities to be redeemed) for conversion of Securities;

(d) the name and address of the Paying Agent and Conversion Agent, if applicable;

(e) if applicable, that Securities called for redemption may be converted at any time prior to 5:00 p.m., New York City time, on the Business Day preceding the Redemption Date;

(f) if applicable, that Holders who want to convert their Securities must satisfy the requirements set forth in Article XIII;

(g) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(h) that, unless the Company defaults in making payment of such Redemption Price, any interest (including Additional Amounts, if any) on Securities called for redemption will cease to accrue on and after the Redemption Date;

(i) the CUSIP number(s) of the Securities; and

(j) any other information the Company wants to present.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense; *provided*, *however*, that the Company makes such request at least five (5) Business Days (unless a shorter period shall be satisfactory to the Trustee) prior to the date by which such notice of redemption must be given to Holders in accordance with this Section 13.02; *provided*, *further*, that the text of the notice of redemption shall be prepared by the Company.

Section 13.08. Mandatory Redemption of 2018 Securities and 2018 Interest Securities.

The Company shall redeem the 2018 Securities then Outstanding, together with the 2018 Interest Securities then Outstanding, in whole or in part, for an amount of cash equal to 120% of the Outstanding Principal Amount of the 2018 Securities and 2018 Interest Securities, taken together, plus accrued and unpaid interest, 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) the Company's receipt of Proceeds from a Mining Data Sale (the occurrence of an event described in (a) or (b) may be referred to as a **"**Redemption Trigger**"**), in each case, notwithstanding any other notice provision herein, upon twenty (20) days' notice to the Holders (which notice shall be provided within ten (10) days of the issuance of a final Arbitration Award or Company's receipt of any such Proceeds, as applicable); *provided*, *however*, that following the issuance of a final Arbitration Award, the Company shall not be obligated to effect any redemption pursuant to this paragraph unless the Company receives cash proceeds in excess of $20,000,000, net of (i) taxes and (ii) $13,500,000 to fund professional fees and expenses and accrued and unpaid prospective operating expenses (such net amount, collectively the "Net Cash Proceeds"), in which case the Company shall give notice to the Holders of 2018 Securities and the 2018 Interest Securities within two (2) Business Days after receipt of such funds of its intent to redeem and shall promptly, and in any event within five (5) Business Days, redeem the 2018 Securities and the 2018 Interest Securities to the extent of such Net Cash Proceeds received in excess of $20,000,000, subject to the following sentence. In respect of any given receipt of Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, by the Company, the Company's redemption obligations in this paragraph shall be limited to the amount of the Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, received by the Company, and if the amount of Net Cash Proceeds, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, received is insufficient to redeem all of the 2018 Securities and the 2018 Interest Securities then Outstanding, the Company shall redeem a *pro rata* portion of each Holder's applicable Securities determined on the basis of the Principal Amount of the applicable Securities held by each Holder as among all Outstanding 2018 Securities and 2018 Interest Securities, taken together, held by all Holders (*provided*, *further*, that any subsequent receipt of additional Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, shall be applied in a similar manner until such time as the redemption obligations have been satisfied in full). Notwithstanding the foregoing or anything to the contrary herein, (i) within five (5) Business Days of a Redemption Trigger described in clause (a) above, the Company shall issue a promissory note to each Holder payable in the amounts due to such Holder upon receipt of Net Cash Proceeds by the Company as contemplated by this section, which promissory note shall be in form and substance reasonably satisfactory to Holders holding at least a majority of the 2018 Securities and 2018 Interest Securities, taken together, and the Company, including with respect to covenants and other relevant terms from the Indenture as applicable, and which shall mature on the earlier of (x) five (5) Business Days following the Company's receipt

of proceeds contemplated by the applicable Arbitration Award and (y) the Stated Maturity of the 2018 Securities; and (ii) in the case of a Redemption Trigger described in clause (a) above, at any time following receipt of notice from the Company as provided herein and prior to the receipt by a Holder of the applicable redemption amount, such Holder may notify the Company that it elects to not have its 2018 Securities and 2018 Interest Securities (or any portion thereof) so redeemed, in which case the applicable Securities of such Holder shall not be redeemed and the amounts that would have otherwise been payable to such Holder shall be available for distribution to the Holders of the Securities which are being redeemed in accordance herewith if such Holders would not otherwise receive payment of the entire Redemption Price.

Section 13.09. Optional Redemption of 2018 Securities.

The Company may, at its option, redeem the 2018 Securities, in whole or in part, upon twenty (20) days' notice to the Holders, for a number of Common Shares per 2018 Security equal to the Principal Amount of such Security divided by the Conversion Price, plus an amount of cash equal to any then accrued and unpaid interest, if the closing sale price of the Company's Common Shares is equal to or greater than 200% of the applicable Conversion Price for at least 20 trading days during any period of thirty (30) consecutive trading days; *provided*, that such notice is given by the Company to the persons in whose names a 2018 Security is registered in the Security Register, with a copy to the Trustee, within five (5) days of the end of such thirty (30) trading day period. Such notice shall provide the information contemplated by Section 13.10 below as applicable.

Section 13.10. Notice of Redemption of 2018 Securities and 2018 Interest Securities.

(a) At least thirty (30) days but not more than sixty (60) days before a Redemption Date, the Company shall provide a notice of redemption (a "Notice of Redemption of 2018 Securities and 2018 Interest Securities") to the Trustee and to each Holder of the 2018 Securities and/or 2018 Interest Securities, as applicable, to be redeemed at such Holder's address kept by the Registrar.

(b) The Notice of Redemption of 2018 Securities and 2018 Interest Securities shall identify the Securities to be redeemed and shall state:

(i) the Redemption Date;

(ii) the price to be paid for the redemption of the 2018 Securities and/or the 2018 Interest Securities, as applicable, specified in Section 13.08 or 13.09, as applicable;

(iii) the *pro rata* portion of each Holder's Securities subject to redemption determined on the basis of the Principal Amount of 2018 Securities and/or 2018 Interest Securities, as applicable, held by each Holder as among all of such Outstanding Securities held by all Holders, if the 2018 Securities and/or the 2018 Interest Securities, as applicable, are being redeemed pursuant to Section 13.08;

(iv) the applicable Conversion Rate as of the Trading Day prior to the date of the mailing of the Notice of Redemption of 2018 Securities, if the 2018 Securities are being redeemed pursuant to Section 13.09;

(v) the name and address of the Paying Agent and the Conversion Agent, if applicable;

(vi) that the 2018 Securities and/or 2018 Interest Securities, as applicable, called for redemption must be surrendered to the Paying Agent to collect the price to be paid for the redemption of the 2018 Securities and/or 2018 Interest Securities, as applicable, specified in Section 13.08 or 13.09, as applicable;

(vii) if applicable, that the Securities called for redemption may be converted at any time before the close of business on the second (2nd) Business Day prior to the Redemption Date;

(viii) if applicable, that Holders who wish to convert Securities must comply with the procedures in Section 16.02;

(ix) that, unless the Company defaults in making payment of the price to be paid for the redemption of the 2018 Securities and/or 2018 Interest Securities, as applicable, specified in Section 13.08 or 13.09, as applicable, for the Securities called for redemption, interest on the 2018 Securities and/or the 2018 Interest Securities, as applicable, will cease to accrue on and after the Redemption Date and the only remaining right of the Holder will be to receive payment of the price to be paid for the redemption of the 2018 Securities and/or the 2018 Interest Securities, as applicable, specified in Section 13.08 and/or 13.09, as applicable, upon presentation and surrender to the Paying Agent of the 2018 Securities and/or the 2018 Interest Securities, as applicable;

(x) if fewer than all the outstanding 2018 Securities and/or 2018 Interest Securities, as applicable, are to be redeemed, the certificate number and Principal Amounts of the particular Securities to be redeemed; and

(xi) the CUSIP number or numbers for the Securities called for redemption.

(c) At the Company's request, the Trustee shall give the Notice of Redemption of 2018 Securities and 2018 Interest Securities in the Company's name and at the Company's expense.

Section 13.11. Redemption Price of 2018 Securities and 2018 Interest Securities.

In the event of any redemption of 2018 Securities and/or 2018 Interest Securities, as applicable, pursuant to Section 13.08 or 13.09, the redemption price applicable to such 2018 Securities and/or 2018 Interest Securities, as applicable, in accordance with such section shall be deemed to be the "Redemption Price" of such 2018 Securities and/or 2018 Interest Securities, as applicable, for purposes of determining the occurrence of an Event of Default under Section 7.01.

SECTION 2.15. Amendment of Article XV – Offer to Purchase Upon a Fundamental Change.

The first and second paragraphs of Section 15.01(a) of the Indenture are hereby amended and restated to read in their entirety as follows.

Section 15.01. Offer to Purchase Upon Fundamental Change.

In the event of a Fundamental Change with respect to the Company at any time prior to June 15, 2022, the Company will be required to make an offer to purchase (a "Fundamental Change Purchase Offer") on the date (the "Fundamental Change Purchase Date") that is thirty (30) Business Days after the Fundamental Change Purchase Offer, all Outstanding Original Securities in integral multiples of $1,000 principal amount at a price equal to the Principal Amount of the Original Securities to be purchased plus accrued but unpaid interest, including Additional Amounts, if any, up to but excluding the Fundamental Change Purchase Date (collectively the "Fundamental Change Purchase Price" of the Original Securities), subject to satisfaction by or on behalf of any Holder of the requirements set forth in Section 15.01(c).

In the event of a Fundamental Change with respect to the Company at any time prior to December 31, 2018, the Company will be required to make an offer to purchase (a "Fundamental Change Purchase Offer") on the date (the "Fundamental Change Purchase Date") that is thirty (30) Business Days after the Fundamental Change Purchase Offer, all 2018 Securities, together with the 2018 Interest Securities then Outstanding, in principal amounts of $1,000 and integral multiples of $1.00 in excess thereof at a price equal to (i) the Principal Amount of the 2018 Securities and the 2018 Interest Securities to be purchased, plus (ii) accrued but unpaid interest, including Additional Amounts, if any, up to, but excluding, the Fundamental Change Purchase Date plus (iii) if a Redemption Trigger has occurred prior to the date of the applicable Fundamental Change, but the Company has not yet made payments to the Holders as provided in Section 13.08(b), an additional 20% of the Principal Amount of the 2018 Securities; *provided*, that the amounts set forth in clause (iii) shall not be payable to any Holder of the 2018 Securities or the 2018 Interest Securities with respect to any Fundamental Change principally arising out of, or in connection with, any actions of such Holder or in which such Holder is an active participant (excluding, for the avoidance of doubt, voting in favor of any Fundamental Change that does not principally arise out of, or is not caused by, the actions of such Holder) (collectively the "Fundamental Change Purchase Price" of the 2018 Securities and the 2018 Interest Securities).

If such purchase date is after a Regular Record Date but on or prior to an interest payment date, however, then the interest payable on such date will be paid to the Holder of record of the Securities on the relevant Regular Record Date. Subject to the satisfaction of the conditions set forth in Section 15.07(c), the Company may elect to satisfy its obligation to pay the Fundamental Change Purchase Price, in whole or in part, by delivering Common Shares as set forth in Section 15.07.

The second paragraph of Section 15.01(c) of the Indenture is hereby amended and restated to read in its entirety as follows:

Such notice shall state, among other things (a) that if certificated Securities have been issued, the certificate numbers (or, if the Securities are not certificated, the notice must comply with the Depositary's procedures); (b) the portion of the principal amount of Securities to be purchased, which, in the case of the Original Securities, must be in principal amounts of $1,000 and integral multiples thereof, and, in the case of the 2018 Securities and the 2018 Interest Securities, must be in principal amounts of $1,000 and integral multiples of $1.00 in excess thereof; and (c) that the Securities are to be purchased by the Company pursuant to the applicable provisions of the Securities and the Indenture.

The fourth paragraph of Section 15.01(c) of the Indenture is hereby amended and restated to read in its entirety as follows:

The Company shall purchase from the Holder thereof, pursuant to this Section 15.01, a portion of a Security, so long as the Principal Amount of such portion is, in the case of the Original Securities, $1,000 and integral multiples thereof, and, in the case of the 2018 Securities and the 2018 Interest Securities, $1,000 and integral multiples of $1.00 in excess thereof. Provisions of this Indenture that apply to the repurchase of all of a Security also apply to the repurchase of such portion of such Security.

SECTION 2.16. Amendment of Article XVI – Right to Convert.

Section 16.01(a) of the Indenture is hereby amended and restated to read in its entirety as follows:

(a) Subject to and upon compliance with the provisions of this Indenture, each Holder shall have the right, at such Holder's option, at any time following the Issue Date of the Securities hereunder through prior to the close of business on the business day immediately preceding the Stated Maturity to convert the Principal Amount of any such Securities, or any portion of such Principal Amount which is, in the case of the Original Securities, $1,000 or an integral multiple thereof, or, in the case of the 2018 Securities, $1,000 or an integral multiple of $1.00 in excess thereof, at the Conversion Price then in effect, subject to prior repurchase of the Securities.

Section 16.01(d) of the Indenture is hereby amended and restated to read in its entirety as follows

(d) Notwithstanding the foregoing, the provisions of this Article XVI shall not be applicable to any 2018 Interest Securities issued in connection with an interest payment date with respect to the 2018 Securities and/or any other Outstanding 2018 Interest Securities.

Section 16.03(a) of the Indenture is hereby amended and restated to read in its entirety as follows:

(a) Upon conversion of a Security, the Company will have the option to deliver Common Shares, cash or a combination of cash and Common Shares for the Securities surrendered as set forth below. The Trustee will initially act as Conversion Agent. A Holder may convert fewer than all of such Holder's Securities so long as the principal amount of the Securities converted are, in the case of the Original Securities, $1,000 and integral multiples thereof, and, in the case of 2018 Securities, $1,000 and integral multiples of $1.00 in excess thereof.

Section 16.03(e) of the Indenture is hereby amended and restated to read in its entirety as follows

(e) Notwithstanding the foregoing or anything to the contrary herein, upon conversion of 2018 Securities, a Holder will receive a separate cash payment in respect of such Holder's 2018 Interest Securities.

SECTION 2.17. Insertion of New Article XVII – Collateral and Security.

The Indenture is hereby amended by inserting the following as new Article XVII:

Section 17.01. Security Documents.

The due and punctual payment of the principal of and premium, if any, and interest on the 2018 Securities and the 2018 Interest Securities when and as the same shall be due and payable, whether on an Interest Payment Date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of and premium, if any, and interest (to the extent permitted by law), on the 2018 Securities and/or the 2018 Interest Securities and performance of all other obligations of the Company to the Holders of the 2018 Securities and/or the 2018 Interest Securities or the Trustee under this Indenture and the 2018 Securities and the 2018 Interest Securities, according to the terms hereunder or thereunder, are secured as provided in the Security and Pledge Agreement (the "Security and Pledge Agreement") duly executed by the Company, U.S. Bank National Association, as collateral agent (the "Collateral Agent") and the Trustee. Each Holder of the 2018 Securities and/or the 2018 Interest Securities, by its acceptance thereof, consents and agrees to the terms of the Security and Pledge Agreement as the same may be in effect or may be amended from time to time in accordance with its terms and authorizes and directs the Collateral Agent to enter into the Security and Pledge Agreement and any other Security Document, if necessary, and to perform its obligations and exercise its rights thereunder in accordance therewith.

Subject to the terms of the Security and Pledge Agreement, the Company, at its own expense, shall take any and all actions necessary to cause the Security and Pledge Agreement to create and maintain, as security for the obligations of the Company hereunder, a valid and enforceable perfected lien in and on all the Collateral, in favor of the Collateral Agent for the benefit of the Holders of the 2018 Securities and the 2018 Interest Securities and those certain 5.465% Contingent Value Rights, superior to and prior to the rights of all third Persons and subject to no other liens pursuant to Section 12.14 hereof.

Section 17.02 Authorization of Actions to Be Taken by the Trustee Under the Security Documents.

(a) Subject to the provisions of the Security Documents, the Trustee may (but shall have no obligation to), during the continuance of an Event of Default, in its sole discretion and without the consent of the Holders of the 2018 Securities and the 2018 Interest Securities, direct, on behalf of the Holders of the 2018 Securities and the 2018 Interest Securities, the Collateral Agent to, take all actions it deems necessary or appropriate in order to:

(i) enforce any of the terms of the Security and Pledge Agreement; and

(ii) collect and receive any and all amounts payable in respect of the obligations of the Company hereunder.

(b) The Trustee shall have power (but shall have no obligation), during the continuance of an Event of Default, to direct, on behalf of the Holders of the 2018 Securities and the 2018 Interest Securities, the Collateral Agent to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Security and Pledge Agreement or this Indenture, and such suits and proceedings as the Trustee may deem expedient to preserve or protect its interests and the interests of the Holders of the 2018 Securities and the 2018 Interest Securities in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders of 2018 the Securities and the 2018 Interest Securities or of the Trustee).

(c) The Trustee shall, during the continuance of an Event of Default, at the direction of the Holders holding at least a majority of the then Outstanding 2018 Securities and 2018 Interest Securities, taken together, direct, on behalf of the Holders of the 2018 Securities and the 2018 Interest Securities, the Collateral Agent to institute and maintain such suits and proceedings as are expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Security and Pledge Agreement or this Indenture, and such suits and proceedings as are expedient to preserve or protect the Trustee's interests and the interests of the Holders of the 2018 Securities and the 2018 Interest Securities in the Collateral (including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of the Holders of the 2018 Securities and the 2018 Interest Securities or of the Trustee) and, during the continuance of an Event of Default, take all actions such Holders deem necessary or appropriate in order to enforce any of the terms of the Security and Pledge Agreement and collect and receive any and all amounts payable in respect of the obligations of the Company hereunder.

(d) The Trustee agrees for itself and on behalf of the Holders of the 2018 Securities and the 2018 Interest Securities, and by holding the 2018 Securities and/or the 2018 Interest Securities each such Holder shall be deemed to agree to consent to and direct the Collateral Agent to perform its obligations under the Security and Pledge Agreement and the other Security Documents in respect of this Indenture and the 2018 Securities and the 2018 Interest Securities.

Section 17.03 Voting.

In connection with any matter under the Security and Pledge Agreement requiring a vote of holders of obligations secured thereby, the Holders shall cast their votes in accordance with this Indenture. The amount of the 2018 Securities and/or the 2018 Interest Securities to be voted by the Holders shall equal the aggregate principal amount of the Outstanding 2018 Securities and 2018 Interest Securities at the time of such vote. Following and in accordance with the outcome of the applicable vote under this Indenture, the Trustee shall, during the continuance of an Event of Default, vote the total amount of the then Outstanding 2018 Securities and the 2018 Interest Securities, taken together, as a block in respect of any vote under the Security and Pledge Agreement.

SECTION 2.18. Rights of Holders of Securities.

Except as expressly provided in this Fourth Supplemental Indenture, a Holder of an Original Security, a 2018 Security and/or a 2018 Interest Security shall have all of the rights of a Holder of the applicable Security under the Indenture and all references to "Security" shall include Original Security, 2018 Security and 2018 Interest Security and all references to "Securities" shall include Original Securities, 2018 Securities and 2018 Interest Securities, except in relation to references to (i) the initial issuance of the Original Securities as Global Securities in Section 2.01 of the Original Indenture and (ii) the terms of the Original Securities as set forth in Section 2.02 and Section 2.03 of the Original Indenture, and except where the context indicates that such reference is limited to one or more classes of such Securities; and all references to "Outstanding" when applied to one or more classes (but not all outstanding Securities) shall mean Outstanding Securities of such class or classes.

ARTICLE THREE
Miscellaneous

SECTION 3.01. Certain Trustee Matters.

The recitals contained herein shall be taken as the statements of the Company and the Trustee assumes no responsibility for their correctness.

The Trustee makes no representations as to the validity or sufficiency of this Fourth Supplemental Indenture or the Securities (including for the avoidance of doubt the 2018 Securities and the 2018 Interest Securities) or the proper authorization or the due execution hereof or thereof by the Company.

Except as expressly set forth herein, nothing in this Fourth Supplemental Indenture shall alter the duties, rights or obligations of the Trustee set forth in the Indenture.

The Trustee makes no representation or warranty as to the validity or sufficiency of the information contained in any prospectus supplement or other disclosure documentation related to the Securities.

The Trustee shall have no responsibility for the existence, genuineness or value of any of the Collateral or for the validity, perfection, continuation, priority or enforceability of the security interests in any of the Collateral, or for the actions or omissions of the Collateral Agent.

Without limiting the foregoing paragraph, at any time that the security granted pursuant to the Security and Pledge Agreement has become enforceable and the Holders have given a direction to the Trustee to enforce such security, the Trustee is not required to give any direction to the Collateral Agent with respect thereto unless it has been indemnified or secured to its satisfaction in accordance with this Indenture. In any event, in connection with any enforcement of such security, the Trustee is not responsible for:

(a) any failure of the Collateral Agent to enforce such security within a reasonable time or at all;

(b) any failure of the Collateral Agent to pay over the proceeds of enforcement of the security;

(c) any failure of the Collateral Agent to realize such security for the best price obtainable;

(d) monitoring the activities of the Collateral Agent in relation to such enforcement;

(e) taking any enforcement action itself in relation to such security;

(f) agreeing to any proposed course of action by the Collateral Agent which could result in the Trustee incurring any liability for its own account; or

(g) paying any fees, costs or expenses of the Collateral Agent.

The Trustee shall be under no obligation to insure any of the Collateral or any certificate, note, bond or other evidence in respect thereof, or to require any other Person to maintain any such insurance and shall not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Collateral being uninsured or inadequately insured.

By its holding of a 2018 Security and/or 2018 Interest Security each Holder shall be deemed to have directed the Trustee to execute and perform the Security and Pledge Agreement and any other Security Documents to which it is to be a party and shall be deemed to have approved the respective terms thereof. Any actions taken by the Trustee under the Security Documents shall be considered actions taken pursuant to the Indenture.

Notwithstanding the amendments to the Indenture effected by this Fourth Supplemental Indenture, the rights, protections and privileges of the Trustee in respect of the Securities referenced in the Indenture as amended prior to the effect of this Fourth Supplemental Indenture, including its rights under Section 8.07, shall remain in effect.

SECTION 3.02. Continued Effect.

Except as expressly supplemented and amended by this Fourth Supplemental Indenture, the Indenture shall continue in full force and effect in accordance with the provisions thereof, and the Indenture is in all respects hereby ratified and confirmed and the provisions thereof shall be applicable to the Securities and this Fourth Supplemental Indenture. This Fourth Supplemental Indenture and all its provisions shall be deemed a part of the Indenture in the manner and to the extent herein and therein provided and the Indenture and this Fourth Supplemental Indenture shall henceforth be read and construed together for all purposes. Any and all references to the "Indenture", whether within the Indenture or in any notice, certificate or other instrument or document, shall be deemed to include a reference to this Fourth Supplemental Indenture (whether or not made), unless the context shall require otherwise.

SECTION 3.03. Governing Law.

This Fourth Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 3.04. Counterparts.

This instrument may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 3.05. Successors.

All agreements of the Company in this Fourth Supplemental Indenture shall bind its successors. All agreements of the Trustee in this Fourth Supplemental Indenture shall bind its successors.

SECTION 3.06. Headings, Etc.

The headings of the Sections of this Fourth Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Fourth Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 3.07. Severability.

In case any provision of this Fourth Supplemental Indenture or the Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed and delivered, all as of the date first written above.

THE COMPANY:

GOLD RESERVE INC.

By: /s/ Rockne J. Timm
Name: Rockne J. Timm
Title Chief Executive Officer

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Beverly A. Freeney
Name: Beverly A. Freeney
Title: Vice President

CO-TRUSTEE:

COMPUTERSHARE TRUST COMPANY OF CANADA

By: /s/ Sophie Brault
Name: Sophie Brault
Title: Corporate Trust Officer

By: /s/ Fabienne Pinatel
Name: Fabienne Pinatel
Title: Corporate Trust Officer

EXECUTION COPY

SECURITY AND PLEDGE AGREEMENT

THIS SECURITY AND PLEDGE AGREEMENT (this "Agreement") is made as of November 30, 2015, by Gold Reserve Inc., an Alberta corporation (the "Borrower"), and the Additional Grantors (as hereinafter defined) (the Borrower and the Additional Grantors are herein collectively called the "Grantors" and each, individually, a "Grantor"), in favor of U.S. Bank National Association, as collateral agent (in such capacity, the "Collateral Agent") for the benefit of the Secured Parties (as defined below), and U.S. Bank National Association, as trustee (in such capacity, the "Trustee").

RECITALS:

WHEREAS, concurrently herewith, the Borrower, the Trustee, and Computershare Trust Company of Canada, as co-trustee are entering into that certain Fourth Supplemental Indenture (the "Fourth Supplemental Indenture") to amend the Indenture (as defined below);

WHEREAS, pursuant to that certain Note Restructuring and Note Purchase Agreement (the "Restructuring and Purchase Agreement") dated as of the date hereof among the Borrower, the Existing Holders (as defined therein) and the New Notes Purchasers (as defined therein), the Borrower, the Existing Holders and the New Notes Purchasers have agreed to the Restructuring Transaction (as defined therein) and the New Notes Sale (as defined therein);

WHEREAS, pursuant to the Restructuring and Purchase Agreement, the Borrower has agreed to assign and pledge a continuing security interest in and lien on the Collateral (as defined below) to the Collateral Agent for the benefit of the Secured Parties to secure the 2018 Securities (as defined in the Indenture), the 2018 Interest Securities (as defined in the Indenture and together with the 2018 Securities, the "Notes") and the CVRs (as defined in the Restructuring and Purchase Agreement);

WHEREAS, each Grantor will derive substantial direct or indirect benefits from the Restructuring Transaction and the New Notes Sale and the granting of the other financial accommodations to the Borrower under the Restructuring and Purchase Agreement and the Fourth Supplemental Indenture;

WHEREAS, it is a condition precedent to the effectiveness of the Restructuring and Purchase Agreement and the obligation of the parties thereto to consummate the Restructuring Transaction and the New Notes Sale for the Grantors to assign and pledge a continuing security interest in and lien on the Collateral (as defined below) to the Collateral Agent for the benefit of the Secured Parties to secure the obligations of the Borrower under the Indenture, the Notes and the CVRs.

NOW, THEREFORE, in consideration of the premises, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND REFERENCES

Section 1.1 Definitions.

(a) The following terms which are defined in the UCC are used herein as so defined (and if defined in more than one Article of the UCC, such terms shall have the meanings given in Article 9 thereof): Account, As-Extracted Collateral, Certificated Security, Chattel Paper, Commercial Tort Claim, Commodity Account, Commodity Contracts, Deposit Account, Document, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, General Intangibles, Goods, Instrument, Inventory, Investment Property, Letter of Credit, Letter-of-Credit Right, Money, Payment Intangibles, Proceeds, Records, Registered Organization, Security, Securities Account, Security Certificate, Security Entitlement, Securities Intermediary, Software, Supporting Obligation, Tangible Chattel Paper, Transmitting Utility and Uncertificated Security. The parties intend that the terms used herein which are defined in the UCC have, at all times, the broadest and most inclusive meanings possible.

(b) As used herein, the following terms shall have the following meanings:

"Additional Grantor" has the meaning given to such term in Section 6.2.

"Agreement" has the meaning set forth in the introductory paragraph of this Agreement.

"Award" means the award of the Borrower, received on September 22, 2014, in the arbitration proceeding between the Borrower, as claimant, and the Bolivarian Republic of Venezuela, as respondent (ICSID Case No. ARB(AF)/09/1).

"Award Proceeds" means all proceeds from the Award and all rights of the Borrower and its Subsidiaries relating thereto, also including any other rights, contractual or otherwise, in respect thereof and the right to receive all payments or other compensation, including all proceeds and other rights with respect to any settlement related thereto, in cash or in kind, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

"Bailee" has the meaning given to such term in Section 3.2(r).

"Borrower" has the meaning set forth in the introductory paragraph of this Agreement.

"Business Day" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York or the City of Toronto, Ontario, Canada are authorized or required by law to close.

"Collateral" means all property, of whatever type, which is described in Section 2.1 as being at any time subject to a security interest granted hereunder to the Collateral Agent.

"Collateral Agent" has the meaning set forth in the introductory paragraph of this Agreement.

"Contracts" means all contracts and agreements between any Grantor and any other Person (in each case, whether written or oral, or third party or intercompany), as the same may be amended, assigned, extended, restated, supplemented, replaced or otherwise modified from time to time, including (a) all rights of any Grantor to receive moneys due and to become due to it thereunder or in connection therewith, (b) all rights of any Grantor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (c) all rights of any Grantor to damages arising thereunder and (d) all rights of any Grantor to terminate and to perform and compel performance of, such contracts and agreements, and to exercise all remedies thereunder; provided, however, that such term will not include the Award.

"Copyright License" means any license or other agreement, whether now or hereafter in existence, under which is granted or authorized any right to use, copy, reproduce, distribute, prepare derivative works, display or publish any records or other materials on which a Copyright is in existence or may come into existence.

"Copyrights" means all the following: (a) all domestic and foreign copyright interests in any original work of authorship, whether registered or unregistered, published or unpublished, including all copyright registrations and all applications for registration or foreign equivalents thereof, (b) all moral rights, (c) all renewals thereof, (d) all claims for, and rights to sue for, past or future infringements of any of the foregoing, and (e) all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing, including damages and payments for past or future infringements thereof.

"Copyright Security Agreement" means a Copyright Security Agreement executed and delivered by any Grantor in favor of the Collateral Agent, substantially in the form of Exhibit C.

"CVR Holders" means those Persons listed on Exhibit A hereto.

"Event of Default" means an "Event of Default" occurring and continuing under the Indenture.

"Finance Documents" means (i) that certain Indenture, dated as of May 18, 2007 (the "Original Indenture"), as supplemented and amended by the First Supplemental Indenture, dated as of December 4, 2012 (the "First Supplemental Indenture"), the Second Supplemental Indenture, dated as of June 18, 2014 (the "Second Supplemental Indenture"), the Third Supplemental Indenture, dated as of September 24, 2014 (the "Third Supplemental Indenture") and the Fourth Supplemental Indenture (together with the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, and as supplemented, amended or modified from time to time, the "Indenture"), each among the Borrower, the Trustee, in its capacity as successor trustee, and Computershare Trust Company of Canada, in its capacity as successor co-trustee, (ii) those certain Contingent Right Value Certificates issued by the Borrower to each of the CVR Holders, (iii) this Agreement, (iv) the Restructuring and Purchase Agreement and (v) all other documents to be executed and delivered by the Grantors to the Secured Parties related to the transactions contemplated hereby.

"Fourth Supplemental Indenture" has the meaning set forth in the recitals of this Agreement.

"Governmental Authority" means any foreign, federal, state, provincial, territorial, municipal or other government, or any department, commission, board, bureau, agency, public authority or instrumentality thereof, or any court or arbitrator.

"Grantors" has the meaning set forth in the introductory paragraph of this Agreement.

"Indenture" has the meaning given to such term in the definition of "Finance Documents".

"Intellectual Property" means any and all Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks and Trademark Licenses; provided, however, that "Intellectual Property" will in no instance include any of the Mining Data, whether or not Mining Data comprises any of such items.

"Intellectual Property Filings" means, with respect to any registered Intellectual Property, the filing of the applicable Intellectual Property Security Agreement with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, and any other governmental authorities necessary to perfect the security interest hereunder in such Intellectual Property, together with an appropriately completed recordation form, where applicable, in each case sufficient to record the security interest granted to the Collateral Agent hereunder in such Intellectual Property.

"Intellectual Property Security Agreement" means a Copyright Security Agreement, a Patent Security Agreement or a Trademark Security Agreement.

"Issuer" means those Persons listed on Schedule 3.1(k) as issuers of the Pledged Stock.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Majority Holders" means Noteholders comprising at least a majority in the aggregate principal amount of outstanding Notes, voting together as a single class, including, if applicable, (i) funds and accounts advised by Steelhead Partners, LLC; provided that at the relevant time they collectively hold at least 25% in the aggregate principal amount of outstanding Notes and (ii) funds and accounts advised by Greywolf Capital Management LP; provided that at the relevant time they collectively hold at least 25% in the aggregate principal amount of outstanding Notes. In connection with any required determination of the Majority Holders, the Borrower will provide the information related to the respective holdings of the funds and accounts advised by each of Steelhead Partners, LLC and Greywolf Capital Management LP contemplated by clauses (i) and (ii) above to the Collateral Agent, and the Collateral Agent shall be entitled to rely upon such information in determining the Noteholders comprising the Majority Holders at such time.

"Mining Data" means the technical mine engineering data base relating to the Brisas Project consisting of over 900 core drill holes, project engineering and assay certificates with a calculated proven and probable 43-101 compliant audited ore reserve (as of its time of delivery).

"Noteholders" means each Person in whose name a Note is registered in the Security Register (as defined in the Indenture).

"Obligations" means any obligation to pay principal, interest (including interest which accrues during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities or obligations (including interest on any other amount payable hereunder which accrues during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) of the Grantors to the Secured Parties or to any Secured Party or any indemnified party arising under the Finance Documents.

"Other Liable Party" means any Person, other than Grantors, who may now or may at any time hereafter be primarily or secondarily liable for any of the Secured Obligations or who may now or may at any time hereafter have granted to the Collateral Agent or any other Secured Party a Lien upon any property as security for the Secured Obligations.

"Patent License" means any license or other agreement, whether now or hereafter in existence, under which is granted or authorized any right with respect to any Patent or any novel invention now or hereafter in existence, whether patentable or not, whether a patent or application for patent is in existence on such invention or not, and whether a patent or application for patent on such invention may come into existence.

"Patents" means all the following: (a) all domestic and foreign patents (including any certificates of invention and other patent equivalents), utility models, provisional applications and patents issuing therefrom, (b) all reissues, divisions, continuations, continuations-in-part, renewals and extensions thereof, (c) all claims for, and rights to sue for, past or future infringements of any of the foregoing, and (d) all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing, including damages and payments for past or future infringements thereof.

"Patent Security Agreement" means any Patent Security Agreement executed and delivered by any Grantor in favor of the Collateral Agent, substantially in the form of Exhibit B.

"Permitted Liens" means (i) the Liens of the Collateral Agent pursuant to the Finance Documents, (ii) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings and (y) such Grantor has set aside on its books adequate reserves with respect thereto in accordance with GAAP, or (z) the nonpayment thereof could not reasonably be expected to result in a material adverse effect on such Grantor or the Grantors taken as a whole, (iii) judgment Liens not giving rise to an Event of Default, (iv) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's, and repairmen's Liens, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in good faith by appropriate proceedings as to which such Grantor has set aside on its books adequate reserves with respect thereto in accordance with GAAP and liens on deposits in the ordinary course of business to secure liability to insurance carriers, utility producers and landlords, (v) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property, (vi) the filing of UCC financing statements solely as a precautionary measure in connection with operating leases (other than any sale and leaseback transaction) or consignment of goods, (vii) Liens of a collection bank arising under Section 4-208 of the UCC (or equivalent statutes) on items in the course of collection; (viii) Liens that are permitted under the Finance Documents and (ix) deposits incurred or deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance, social security laws or regulations and other forms of governmental insurance or benefits, other than Liens imposed by ERISA.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Pledged Interests" means all of each Grantor's right, title and interest in and to all of the Pledged Stock now owned or hereafter acquired by such Grantor, regardless of class or designation, and all substitutions therefor and replacements thereof, all proceeds thereof and all rights relating thereto, also including any certificates representing the Pledged Stock, the right to receive any certificates representing any of the Pledged Stock, all warrants, options, share appreciation rights and other rights, contractual or otherwise, in respect thereof and the right to receive all dividends, distributions of income, profits, surplus, or other compensation by way of income or liquidating distributions, in cash or in kind, and all cash, instruments, and other property from time to time received, receivable, or otherwise distributed in respect of or in addition to, in substitution of, on account of, or in exchange for any or all of the foregoing.

"Pledged Stock" means, whether or not constituting "investment property" as such term is defined in Section 9-102(a)(49) of the UCC, the shares and the membership interests listed on Schedule 3.1(k), together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the equity interests of any Issuer that may be issued or granted to, or held by, a Grantor while this Agreement is in effect.

"PPSA" means the *Personal Property Security Act* as in effect in the Province of Alberta, the Civil Code of Quebec as in effect in the Province of Quebec or any other Canadian federal, provincial or territorial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

"Proceeds Account" shall have the meaning given to such term in Section 3.2(g).

"Receivables" means (a) all Accounts and all other rights to payment for goods or other personal property which have been (or are to be) sold, leased, or exchanged or for services which have been (or are to be) rendered, regardless of whether such Accounts or other rights to payment have been earned by performance and regardless of whether such Accounts or other rights to payment are evidenced by or characterized as accounts receivable, contract rights, book debts, notes, drafts or other obligations of indebtedness, (b) all Documents, Instruments, Chattel Paper, Letters of Credit and Letter-of-Credit Rights of any kind relating to such Accounts or other rights to payment or otherwise arising out of or in connection with the sale, lease or exchange of goods or other personal property or the rendering of services, (c) all rights in, to, or under all security agreements, leases and other contracts securing or otherwise relating to any such Accounts, rights to payment, Documents, Instruments, Chattel Paper, Letters of Credit or Letter-of-Credit Rights, (d) all rights in, to and under any purchase orders, service contracts, or other contracts out of which such Accounts and other rights to payment arose (or will arise on performance), and (e) all rights in or pertaining to any goods arising out of or in connection with any such purchase orders, service contracts, or other contracts, including rights in returned or repossessed goods and rights of replevin, repossession, and reclamation.

"Responsible Officer" means any officer of the Collateral Agent including any vice president, assistant vice president, treasurer, assistant treasurer, trust officer or any other officer of the Collateral Agent who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, with direct responsibility for the administration of this Agreement.

"Restructuring and Purchase Agreement" has the meaning set forth in the recitals of this Agreement.

"Secured Obligations" means all Obligations of the Grantors.

"Secured Parties" means the Collateral Agent, the Trustee, the Noteholders and the CVR Holders.

"Security Agreement Supplement" has the meaning set forth in Section 6.2.

"Subsidiary" of any Person means any corporation, partnership, limited liability company or other legal entity in which such Person (either alone or through or together with any other subsidiary), owns, directly or indirectly, 50% or more of the stock or other equity or ownership interests, or the holder of which is generally entitled to elect a majority of the board of directors or other governing body of such legal entity.

"Trademark License" means any license or agreement, whether now or hereafter in existence, under which is granted or authorized any right to use any Trademark.

"Trademarks" means all of the following: (a) all domestic and foreign trademarks, service marks, trade names, business names, logos, designs, slogans, trade dress and other indicia of service or sponsorship of goods or services, all registrations and applications for registration therefor, (b) the goodwill of the business symbolized thereby or associated with each of them, (c) all renewals thereof, (d) all claims for, and rights to sue for, past or future infringements of any of the foregoing, and (e) all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing, including damages and payments for past or future infringements thereof.

"Trademark Security Agreement" means any Trademark Security Agreement executed and delivered by any Grantor in favor of the Collateral Agent, substantially in the form of Exhibit D.

"UCC" means the Uniform Commercial Code in effect in the State of New York or, if by mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest granted hereunder in the Collateral is governed by the Uniform Commercial Code of any other State, "UCC" means the Uniform Commercial Code as in effect in such other state for purposes of provisions hereof relating to such perfection or effect of perfection or non-perfection.

Section 1.2 Attachments.

All exhibits or Schedules which may be attached to this Agreement are a part hereof for all purposes.

Section 1.3 Other Interpretive Provisions.

Unless otherwise specified herein:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The word "or" is not exclusive, and the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used herein, shall be construed to refer to this Agreement in its entirety and not to any particular provision thereof, (iv) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

ARTICLE II

SECURITY INTEREST

Section 2.1 Grant of Security Interest

Except to the extent excluded pursuant to Section 3.2(c), each Grantor hereby pledges and assigns to the Collateral Agent and grants to the Collateral Agent a continuing security interest, for the benefit of the Secured Parties, in and to all of such Grantor's right, title and interest in and to all of the assets of the Grantors other than the Award, whether now owned or existing or hereafter acquired or arising and regardless of where located, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations, whether now existing or hereafter incurred or arising, including, but not limited to the following:

(a) all Accounts;

(b) all As-Extracted Collateral;

(c) all Chattel Paper (including, without limitation, Electronic Chattel Paper);

(d) all Commercial Tort Claims as set forth on Schedule 3.1(j);

(e) all Commodity Accounts;

(f) all Commodity Contracts;

(g) all Contracts;

(h) all Deposit Accounts;

(i) all Documents;

(j) all Equipment;

(k) all Financial Assets;

(l) all Fixtures;

(m) all General Intangibles;

(n) all Goods (including, without limitation, all Equipment and Inventory);

(o) all Instruments;

(p) all Intellectual Property;

(q) all Inventory;

(r) all Investment Property;

(s) all Letters of Credit;

(t) all Letter-of-Credit Rights;

(u) all Money;

(v) all Payment Intangibles;

(w) all Pledged Interests;

(x) all Receivables, to the extent not otherwise described above;

(y) all Securities (including Certificated Securities and Uncertificated Securities);

(z) all Securities Accounts;

(aa) all Security Entitlements;

(bb) all Software;

(cc) all Supporting Obligations;

(dd) the Award Proceeds;

(ee) all Mining Data;

(ff) all books and Records pertaining to the other property described in this Section 2.1; and

(gg) to the extent not otherwise described in this Section 2.1, all Proceeds, products, accessions, rents and profits of or in respect of any and all of the foregoing and all collateral security and guarantees given by any Person to or in favor of any Grantor with respect to any of the foregoing;

In each case, the foregoing property shall be covered by this Agreement, whether such Grantor's ownership or other rights therein are presently held or hereafter acquired and howsoever such Grantor's interests therein may arise or appear (whether by ownership, security interest, claim or otherwise).

Each Grantor hereby acknowledges that the Secured Obligations are owed to the various Secured Parties and that each Secured Party is entitled to the benefits of the Liens given under this Agreement; provided, however, that only the Collateral Agent and its permitted successors, transferees, assigns and co-agents under Sections 5.10 and 6.8 shall be entitled to exercise any remedies relating to the Liens given under this Agreement.

Each Grantor acknowledges and agrees that (a) value has been given by the Collateral Agent and the Secured Parties, (b) it has rights in the Collateral or the power to transfer rights in the Collateral, (c) the security interest created herein will attach when such Grantor signs this Agreement, and (d) it has not otherwise agreed to postpone the time of attachment.

Section 2.2 Grantors Remain Liable.

Notwithstanding anything to the contrary contained herein, (i) each Grantor shall remain liable for all obligations under and in respect of the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any other Secured Party, (ii) each Grantor shall remain liable under each of the agreements included in the Collateral, including any Receivables, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related hereto nor shall the Collateral Agent nor any other Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including any agreements relating to any Receivables, and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, including any agreements relating to any Receivables. Without limiting the generality of the foregoing, it is the intention of the parties hereto that record and beneficial ownership of the Pledged Interests, including all voting, consensual, dividend, and distribution rights, shall remain in each Grantor owning such Pledged Interests until (i) the occurrence and continuance of an Event of Default and (ii) the Collateral Agent has notified such Grantor of its election to exercise such rights with respect to the Pledged Interests pursuant to Section 4.2(i), and upon such Event of Default being cured or waived, such election shall automatically terminate and such rights and benefits shall revert to such Grantor.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.1 Representations and Warranties.

Each Grantor hereby represents and warrants to the Collateral Agent and each other Secured Party as follows:

(a) Security Interest. Such Grantor has and will have at all times full right, power and authority to grant a security interest in the Collateral owned by such Grantor to the Collateral Agent for the benefit of the Secured Parties as provided herein, free and clear of any Lien other than Permitted Liens. This Agreement creates a valid and binding security interest in favor of the Collateral Agent for the benefit of the Secured Parties in the Collateral, which security interest secures all of the Secured Obligations. All actions necessary to obtain control of Collateral as provided in Sections 9-104, 9-105, 9-106 and 9-107 of the UCC or the corresponding provisions of the PPSA, as applicable, and all actions necessary to perfect the Collateral Agent's security interest with respect to such Collateral evidenced by a certificate of title have been duly made or taken and are in full force and effect and such security interest is first priority. Any and all references made in this Agreement to Permitted Liens are made for the purpose of limiting certain warranties and covenants made by each Grantor herein and such reference is not intended to affect the description herein of the Collateral nor to subordinate the Liens and security interests hereunder to any Permitted Liens.

(b) UCC Perfection. The taking possession by the Collateral Agent in the United States of all Instruments, Chattel Paper, Letters of Credit and Money constituting Collateral from time to time will perfect, and establish the first priority of, the security interest created hereunder in favor of the Collateral Agent for the benefit of the Secured Parties in such Collateral. The Collateral Agent's control (within the meaning of the UCC) of all Investment Property, Deposit Accounts, Electronic Chattel Paper, and Letter-of-Credit Rights constituting Collateral from time to time will perfect, and establish the first priority (subject only to Permitted Liens) of, the security interest created hereunder in such Collateral. To the extent that the filing of a financing statement can be effective under the UCC to perfect the security interest created hereunder in any Collateral, the filing of a financing statement with the secretary of state (or equivalent governmental official) of the state in which such Grantor is organized (or if such Grantor is organized outside of the United States of America in (i) if it has a chief executive office located within the United States of America, in the state where its chief executive office is located or, if does not have a chief executive office located in the United States of America, in its jurisdiction of organization and (ii) the District of Columbia) which sufficiently indicates all such Collateral will perfect, and establish the first priority (subject only to Permitted Liens) of, the security interest created hereunder in such Collateral. No further or subsequent filing, recording, registration, other public notice or other action is necessary or desirable to perfect or otherwise continue, preserve or protect such security interest except (i) for continuation statements described in Section 9-515(d) of the UCC or (ii) for filings required to be filed in the event of a change in the name, identity, or organizational structure of such Grantor or the location of its assets in Canada.

(c) PPSA Perfection. The taking of possession by the Collateral Agent of all goods, chattel paper, negotiable documents of title, instruments and money (as such terms are defined in the PPSA) constituting Collateral from time to time will perfect, and establish the first priority of, the security interest created hereunder in favor of the Collateral Agent for the benefit of the Secured Parties in such Collateral. The Collateral Agent's control (within the meaning of PPSA) of all investment property (as defined in the PPSA) constituting Collateral from time to time will perfect, and establish the first priority of, the security interest created hereunder in such Collateral. To the extent that the filing of a financing statement can be effective under the PPSA to perfect the security interest created hereunder in any Collateral, the filing of a financing statement with the applicable provincial or territorial governmental officials of the provinces or territories in Canada (i) in which each Grantor has tangible personal property which sufficiently identifies all such Collateral or (ii) where its principal place of business, or chief executive office if more than one place of business, is located, will perfect and establish the first priority (subject only to Permitted Liens) of, the security interest created hereunder in such Collateral. No further or subsequent filing, recording, registration, other public notice or other action is necessary or desirable to perfect or otherwise continue, preserve or protect such security interest except for filings (i) extending the registration period prior to the expiry of the then current registration period, or (ii) required to be filed in the event of a change in the name, identity or organizational structure of such Grantor or a change to the location of its assets in Canada set out in Schedule 3.1(f) hereto.

(d) Intellectual Property. As of the date hereof, except as set forth on Schedule 3.1(d) hereto, no Grantor owns any interest in any (i) registration and application for

registration for any material Patents, Copyrights and Trademarks or (ii) other material Intellectual Property.

(e) Ownership Free of Liens. No effective financing statement or other registration or instrument similar in effect covering all or any part of the Collateral is on file in any recording office except (i) any which have been filed in favor of the Collateral Agent relating to the Finance Documents and any which have been filed to perfect or protect any Permitted Liens, and (ii) any such financing statement or other instrument for which a termination statement that such Grantor is authorized to file has been delivered to the Collateral Agent. None of the tangible Collateral is in the possession of any Person other than the Grantors or the Collateral Agent. Each Grantor is the legal and beneficial owner of the Collateral granted or purported to be granted by it free and clear of any Lien, except for the Lien created under the Finance Documents and Permitted Liens.

(f) Name; Jurisdiction; Organization. Each Grantor is a Registered Organization, and each Grantor's exact legal name, sole jurisdiction of organization, organizational identification number, federal employer identification number, UCC filing jurisdictions and all locations of its assets, its books and records and of its "chief executive office" and "principal place of business" (as such terms are defined under the PPSA) are set forth on Schedule 3.1(f)(i) hereto. As of the date hereof, such Grantor does not have or operate under, nor has it had or operated under, in any jurisdiction at any time within five (5) years prior to the date hereof, any name except its legal name as set forth on the signature pages hereto or such other names specified on Schedule 3.1(f)(ii) attached hereto, nor has such Grantor ever been organized under the laws of any jurisdiction other than the jurisdiction specified on Schedule 3.1(f)(ii) attached hereto. Except as set forth on Schedule 3.1(f)(iii), no Grantor has changed its identity or corporate structure in any way within the past five (5) years.

(g) Finance Documents. Each Grantor acknowledges and stipulates that the Finance Documents are legal, valid and binding obligations of such Grantor that are enforceable against such Grantor in accordance with the terms thereof, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, or other laws affecting creditors' rights generally and by general principles of equity, as set forth in such Finance Documents, and the security interests and liens granted under the Finance Documents in favor of the Collateral Agent, for the benefit of the Secured Parties, are and continue to be, duly perfected, security interests and liens, in each case, to the full extent provided by the terms of the Finance Documents and each other Finance Document and subject only to Liens permitted under the Finance Documents, to the extent provided therein.

(h) Miscellaneous. No Grantor owns any interest in any Farm Products or timber to be cut. No Grantor is a Transmitting Utility. No Grantor owns any interest in any real property.

(i) Authorizations. Other than for the filings to be made and actions to be taken pursuant to this Agreement and those that have been obtained and are in full force and effect (including, but not limited to, those set forth on Schedule 3.1(i)), no consent, approval,

authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the grant of a security interest by such Grantor in and to the Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement by such Grantor, (ii) the perfection or maintenance of the security interest created by the Finance Documents or (iii) for the exercise by Collateral Agent of the voting or other rights provided for in this Agreement with respect to the remedies in respect of the Collateral pursuant to this Agreement, except as may be required by laws affecting the offering and sale of securities generally.

(j) Commercial Tort Claims. Schedule 3.1(j) specifically describes as of the date hereof each Commercial Tort Claim other than the Award as to which any Grantor has any right, title or interest.

(k) Pledged Stock. Set forth on Schedule 3.1(k) is accurate information regarding the Pledged Stock. The Pledged Stock set forth on Schedule 3.1(k) is all of the equity interests of the Issuers held or owned by a Grantor. Each Grantor has delivered all certificated equity interests with respect to the Pledged Stock to the Collateral Agent. The Grantors do not own equity interests in any Subsidiary other than those listed on Schedule 3.1(k).

Section 3.2 General Covenants Applicable to Collateral.

Unless the Collateral Agent shall otherwise consent in writing, each Grantor will at all times comply with the covenants contained in the Finance Documents that are applicable to such Grantor for so long as any part of the Secured Obligations is outstanding and, in addition, each Grantor hereby covenants to the Collateral Agent and each other Secured Party as follows:

(a) Change of Name, Location, or Structure; Additional Filings. Each Grantor recognizes that financing statements pertaining to the Collateral have been or may be filed with the secretary of state (or equivalent governmental official) of the state, province, territory or jurisdiction in which such Grantor is organized, has its chief executive office and/or the District of Columbia, as appropriate, or has assets in Canada. Without limitation of any other covenant herein, no Grantor will cause or permit any change to be made to the location of its assets in Canada, in its name or organizational structure, or any change to be made to its jurisdiction of organization, unless such Grantor shall have first (i) notified the Collateral Agent of such change at least thirty (30) days prior to the effective date of such change and (ii) taken all action required to protect the Collateral Agent's security interests and rights under this Agreement and the perfection and priority thereof. In any notice furnished pursuant to this subsection, each Grantor will expressly state that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of the Collateral Agent's security interest in the Collateral.

(b) Further Assurances. Each Grantor will, at its expense, promptly execute and deliver all further instruments, agreements, filings and registrations, and take all further action, in order: (i) upon reasonable request from time to time by the Collateral Agent, to confirm and validate this Agreement and the Collateral Agent's rights and remedies hereunder, (ii) to correct any errors or omissions in the descriptions herein of the Secured

Obligations or the Collateral or in any other provisions hereof, (iii) to perfect, register and protect the security interests and rights created or purported to be created hereby or to maintain or upgrade in rank the priority of such security interests and rights, (iv) to perfect, preserve and protect the security interest granted or purported to be granted hereby, (v) to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder in respect of the Collateral, or (vi) to otherwise give the Collateral Agent the full benefits of the rights and remedies described in or granted under this Agreement. As part of the foregoing, each Grantor will, whenever reasonably required to maintain the priority and perfection of any Lien, (A) authenticate (as defined in the UCC) and file any financing statements, continuation statements, and other filings or registrations relating to the Collateral Agent's security interests and rights hereunder, and any amendments thereto, and (B) mark its books and records relating to any Collateral to reflect that such Collateral is subject to this Agreement and the security interest hereunder.

(c) Ownership, Liens, Possession and Transfers. (1) Each Grantor will maintain good title to all of its Collateral, free and clear of all Liens, except for the security interest created by this Agreement and any Permitted Liens, and no Grantor will grant or allow any Liens other than Permitted Liens to exist. (2) No Grantor will grant or allow to remain in effect, and each Grantor will cause to be terminated, any financing statement or other registration or instrument similar in effect covering all or any part of the Collateral, except any which have been filed in favor of the Collateral Agent relating to this Agreement or the other Finance Documents and any which have been filed to perfect or protect any Permitted Lien. (3) Each Grantor will defend the Collateral Agent's Lien in and to such Grantor's Collateral against the claims of any Person (subject only to Permitted Liens). (4) Except as expressly permitted under the Finance Documents, each Grantor will not (i) sell, assign (by operation of law or otherwise), transfer, exchange, lease or otherwise dispose of, or grant any option with respect to, any of the Collateral other than cash and cash equivalents used by the Grantors in the ordinary course of business, including, but not limited to, paying the Grantors' expenses and other obligations in the ordinary course as they become due and payable, or (ii) create or permit to exist any Lien upon or with respect to any of the Collateral of the Grantor, except for Permitted Liens; provided, however, that upon certification by a Grantor that it has reached agreement to sell any equipment of the Grantors related to the Brisas Project for a price that a majority of such Grantor's board of directors deems reasonable and has provided a written certification providing such price is reasonable to the Collateral Agent, the Collateral Agent shall release its Lien on such equipment upon such sale and the proceeds of such sale shall not be subject to the Lien granted under this Agreement and will not constitute part of the Collateral; provided, further, that upon certification by a Grantor that it has reached agreement to sell the Mining Data for a price that a majority of such Grantor's board of directors deems reasonable; has provided a written certification providing such price is reasonable to the Collateral Agent; and the Majority Holders have consented to such sale upon the terms contained in such written certification (provided that such consent may not be unreasonably withheld, denied or delayed), the Collateral Agent shall release its Lien on the Mining Data in conjunction with such sale and the proceeds of such sale shall not be subject to the Lien granted under this Agreement and will not constitute part of the Collateral and may be distributed to such Grantor's owners to the extent permitted by the Finance Documents and the CVRs.

(d) Information. Upon reasonable request from time to time by the Majority Holders, each Grantor shall furnish to the Noteholders and the CVR Holders, with a copy to the Trustee and the Collateral Agent, (i) any information concerning any covenant, provision or representation contained herein or any other matter in connection with its Collateral or such Grantor or such Grantor's business, properties, or financial condition, and (ii) statements and Schedules identifying and describing its Collateral and other reports and information requested in connection with its Collateral, all in reasonable detail; provided, that, (i) as of the date hereof the Mining Data is located at the address set forth on Schedule 3.2(d), (ii) the Borrower shall provide at least 30 days' notice to the Noteholders and the CVR Holders, with a copy to the Trustee and the Collateral Agent, before moving all or part of the Mining Data to a new location and (iii) the Borrower shall provide monthly updates to the Collateral Agent on the Mining Data and its location.

(e) Intellectual Property.

(i) Upon owning any interest in any material Intellectual Property, each Grantor will maintain and protect the validity and enforceability of all such material Intellectual Property owned by such Grantor included within the Collateral. Each Grantor will use commercially reasonable efforts to defend and protect such material Intellectual Property and its rights thereunder against any infringement, dilution, or misappropriation and will use commercially reasonable efforts to defend any claim or administrative or arbitral proceedings which challenge the validity or enforceability of such material Intellectual Property, such Grantor's purported rights therein and thereunder, or such Grantor's rights to register or patent the same or to use and practice the same in its business. Each Grantor will give the Collateral Agent notice of any proceeding in which such defense is being carried on. Each Grantor will diligently prosecute and maintain all applications and registrations for any such material Intellectual Property, and such Grantor will promptly notify the Collateral Agent whenever any of its application or registration relating to any such material Intellectual Property has been (or is alleged to have been) abandoned, dedicated to the public or otherwise terminated.

(ii) Within thirty (30) days after filing any application for registration (or any similar request) of any material Intellectual Property with the United States Copyright Office, the United States Patent and Trademark Office, or any similar office or agency of the United States, any State thereof or other country, or any political subdivision thereof, each Grantor will give the Collateral Agent notice of such filing and will execute, deliver and file any agreements, instruments, registrations and filings to confirm the Collateral Agent's security interest therein and to put such security interest of record in such office.

(iii) Upon owning an interest in any material Intellectual Property, each Grantor will sign and deliver to the Collateral Agent Intellectual Property Security Agreements with respect to all of its registered material Intellectual Property. In each case, such Grantor will promptly make all Intellectual Property Filings necessary to record the security interests granted to the Collateral Agent hereunder in such material Intellectual Property.

(f) Deposit Accounts. Attached hereto as Schedule 3.2(f) is a list of all locations where any Grantor maintains any lockbox account, Deposit Account, Securities Account, Commodity Account or other bank account as of the date hereof.

(g) Proceeds Account. As soon as practicable, but in no event more than 30 days after the date hereof, the Borrower shall establish a dollar-denominated deposit account (the "Proceeds Account") that shall be capable of receiving deposits denominated in U.S. currency and that shall be the subject of an account control agreement. Collateral Agent, on behalf of the Secured Parties, shall have, and is hereby granted, a first priority perfected Lien on all sums on deposit from time to time in the Proceeds Account. Borrower shall cause the banking institution at which the Proceeds Account is maintained to provide Collateral Agent with access to review the activity of the Proceeds Account and to deliver to Collateral Agent such instruments and agreements as are necessary in order to evidence and perfect the first priority Lien on sums on deposit in the Proceeds Account created hereby.

(h) Investment Property. If any Grantor shall at any time hold or acquire any Security Certificate for an entity other than a Subsidiary with a fair value in excess of $50,000, such Grantor shall promptly endorse, assign, and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank. If any Security now or hereafter acquired by any Grantor is uncertificated and is issued to any Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly notify the Collateral Agent of such issuance and either (i) cause the issuer thereof to agree to comply with instructions from the Collateral Agent as to such Security, without further consent of such Grantor or such nominee, or (ii) arrange for the Collateral Agent to become the registered owner of such Security (if agreed to by the Collateral Agent). If any Securities, whether certificated or uncertificated, or other Investment Property now or hereafter acquired by any Grantor, are held by such Grantor or its nominee through a Securities Intermediary, such Grantor shall promptly notify the Collateral Agent thereof, and cause such Securities Intermediary to agree to comply with entitlement orders or other instructions from the Collateral Agent to such Securities Intermediary as to such Securities or other Investment Property, without further consent of such Grantor or such nominee. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any such entitlement orders or instructions or directions to any issuer, Securities Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Grantor, unless an Event of Default has occurred and is continuing.

(i) Commercial Tort Claims. If any Grantor shall at any time hold or acquire a Commercial Tort Claim in excess of $100,000, such Grantor shall immediately notify the Collateral Agent in writing of the details thereof and grant to the Collateral Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement. Upon receipt of such notice, the Collateral Agent is hereby authorized to amend Schedule 3.1(j) to include the details of such Commercial Tort Claim. Such Grantor shall file any necessary financing statements and other filings or registrations relating to the Collateral Agent's security interests and rights in such Commercial Tort Claim.

(j) Insurance. Each Grantor will carry insurance of a type, kind and amount customarily carried by similar Persons operating in similar industries. All casualty and

property insurance policies required hereby and by the other Finance Documents shall contain clauses providing that the proceeds thereof shall be payable to the Collateral Agent as its interests may appear. All insurance policies required hereby and by the other Finance Documents shall contain clauses providing that the Collateral Agent and the other Secured Parties are additional insureds thereunder and providing that such policies may not be cancelled, reduced or otherwise negatively affected without at least thirty (30) days prior written notice to the Collateral Agent. Upon request by the Collateral Agent during the continuation of any Event of Default, each Grantor shall deliver to the Collateral Agent the original policies, evidence of payment of premiums, certificates evidencing renewals, and such other information regarding such insurance as the Collateral Agent may reasonably request. In the event of any loss under any insurance policies so carried by any Grantor, the Collateral Agent shall, after it has determined in its sole judgment that such Grantor has failed to commence or diligently pursue efforts to collect the same, have the right (but not the obligation) to make proof of loss and collect the same, and all amounts so received shall be applied in accordance with Section 4.4 of this Agreement. In the preceding instances during the continuance of an Event of Default, the Collateral Agent is hereby authorized but not obligated to enforce in its name or in the name of any Grantor payment of any or all of said policies or settle or compromise any claim in respect thereof, and to collect and make receipts for the proceeds thereof and, in and during such events, the Collateral Agent is hereby appointed by each Grantor's agent and attorney-in-fact to endorse any check or draft payable to such Grantor in order to collect the proceeds of insurance. In the event of the sale of any Collateral pursuant to the Collateral Agent's exercise of any remedies hereunder, or other transfer of title to the Collateral in extinguishment in whole or in part of the Secured Obligations, all right, title and interest of any Grantor in and to such policies then in force concerning the Collateral and all proceeds payable thereunder shall thereupon vest in the purchaser at such sale or other transferee in the event of such other transfer of title.

(k) Documents, Instruments, etc. Attached hereto as Schedule 3.2(k) is a list of all promissory notes and other evidences of indebtedness held by each Grantor, including all intercompany notes between any of the Grantors as of the date hereof. Each Grantor will cause all of its Instruments and Chattel Paper included within the Collateral to have only one original counterpart. Each Grantor will promptly deliver to the Collateral Agent all originals of its Documents, Instruments and Chattel Paper which are included within the Collateral. Each Grantor will mark each of its Tangible Chattel Paper which is included within the Collateral with a legend indicating that such Tangible Chattel Paper is subject to the security interest granted by this Agreement. If any of the Collateral is or shall become Electronic Chattel Paper, such Grantor shall ensure that (1) a single authoritative copy exists which is unique, identifiable and unalterable (except as provided in clauses (3), (4) and (5) of this paragraph), (2) such authoritative copy identifies the Collateral Agent as the assignee and is communicated to and maintained by the Collateral Agent or its designee, (3) copies or revisions that add or change the assignee of the authoritative copy can only be made with the participation of the Collateral Agent, (4) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy and not the authoritative copy and (5) any revision of the authoritative copy is readily identifiable as an authorized or unauthorized revision.

(l) Equipment. Attached hereto as Schedule 3.2(l) is a list of all Equipment with a fair value in excess of $10,000 held by each Grantor, along with the location, a

description and the serial number, if available, of such Equipment. Upon receipt of any additional Equipment, the Grantors will promptly notify Collateral Agent and update Schedule 3.2(l) to reflect such additional Equipment.

(m) Additional Collateral. Upon receiving any Collateral after the date hereof, or becoming aware of any Collateral not previously disclosed to the Collateral Agent, each Grantor shall promptly notify Collateral Agent of such additional Collateral and provide evidence, upon which the Collateral Agent may conclusively rely, of the creation of the Collateral Agent's valid first priority Lien on such Collateral.

(n) Asset and Chief Executive Office Locations. Each Grantor shall not permit any Collateral to be located anywhere else other than the asset locations specified in Section 3.1(f) hereof and shall not change its chief executive office or principal place of business without first giving at least 30 days' prior written notice to the Collateral Agent and taking all action required for the purpose of perfecting or protecting the security interest granted by this Agreement.

(o) Letters of Credit. With respect to any Letters of Credit in excess of $100,000 that are by their terms transferable, each Grantor will use commercially reasonable efforts to cause all issuers and nominated Persons under Letters of Credit in which a Grantor is the beneficiary or assignee to consent to the assignment of such Letter of Credit to the Collateral Agent and, upon receipt of written notice from the Collateral Agent that an Event of Default has occurred, and so long as such Event of Default is continuing, it shall cause all payments thereunder to be made to the Collateral Agent. With respect to any Letters of Credit that are not transferable, each Grantor shall use commercially reasonable efforts to obtain the consent of the issuer thereof and any nominated Person thereon to the assignment of the proceeds of such Letter of Credit to the Collateral Agent in accordance with Section 5-114(c) of the UCC or any corresponding provisions of the PPSA.

(p) Award. The Borrower represents that it will discuss with or deliver to counsel for each Noteholder known to Borrower that holds at least 10% of the aggregate outstanding principal amount of the Notes all material information it receives after the date hereof with respect to the Award (or provide a summary of the material facts related thereto), including for the avoidance of doubt payment of any consideration in respect thereof, promptly following receipt thereof, other than any such information that is made generally available to the public or which Borrower is prohibited from disclosing by law or confidentiality obligations, and if counsel for any such Noteholder indicates to the Borrower in writing (which may be via email) that such Noteholder wishes to receive such information, the Borrower will promptly deliver such information or provide a summary of the material facts related thereto to such Noteholder in the same form provided to counsel; provided, however, any such Noteholder that receives any material, non-public information from the Borrower shall not under any circumstances buy or sell any securities of the Borrower or otherwise engage in any trading activities related thereto on the basis of such material, non-public information until such time as such material, non-public information either becomes publicly available or no longer constitutes material, non-public information. Each Noteholder holding at least 10% of the aggregate outstanding principal amount of the Notes shall provide written notification to the Borrower of the counsel to whom such material information shall be

delivered under this Section 3.2(p) and may change such counsel upon written notice to the Borrower. Award Proceeds received by the Borrower, any other Grantor or any Subsidiary, with respect to the Award shall be deposited into the Proceeds Account in accordance with Section 5.7 of the Restructuring and Sale Agreement.

(q) Access. Each Grantor shall at all times, upon delivery of notice by the Collateral Agent, allow a representative of the holders of a majority of the outstanding Notes free access to and right of inspection of the Collateral; provided that, unless such representative believes in good faith an Event of Default exists and is ongoing, any such access or inspection shall only be required during the relevant Grantor's normal business hours and shall be preceded by at least two Business Days prior written notice. Each Grantor shall use commercially reasonable efforts to cause each landlord or other lessor with respect to the locations specified in Section 3.1(f) hereof and the schedules related thereto to execute a collateral access agreement in form and substance reasonably satisfactory to such representative.

(r) Bailees. Attached hereto as Schedule 3.2(r) are the names of all Persons or entities other than the Grantors ("Bailees"), with possession of any Collateral, including the name and address of such Bailee, a description of the Collateral in such Bailee's possession and the location of such Collateral. During the continuation of an Event of Default, if Collateral of any Grantor is at any time in the possession or control of a warehouseman, bailee or agent, upon the request of the Collateral Agent such Grantor will (i) notify such warehouseman, bailee or agent of the security interest created hereunder, (ii) instruct such warehouseman, bailee or agent to hold all such Collateral solely for the Collateral Agent's account subject only to the Collateral Agent's instructions, (iii) use commercially reasonable efforts to cause such warehouseman, bailee or agent to execute a collateral access agreement in form and substance reasonably satisfactory to the Collateral Agent and authenticate a record (in form and substance reasonably satisfactory to the Collateral Agent) acknowledging that it holds possession of such Collateral for the Collateral Agent's benefit and shall act solely on the instructions of the Collateral Agent without the further consent of the Grantor or any other Person and (iv) if obtained, make such authenticated record available to the Collateral Agent.

(s) Pledged Interests. (i) If any Grantor currently holds, shall become entitled to receive or shall receive any certificate in respect of any Pledged Stock (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization of such Pledged Stock), option or rights in respect of any Pledged Stock, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Stock, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Collateral Agent and, within five (5) Business Days of such receipt, deliver the same forthwith to the Collateral Agent in the exact form received, duly endorsed by such Grantor to the Collateral Agent, for the benefit of the Secured Parties, together with an undated stock transfer power covering such certificate duly executed in blank by such Grantor, to be held by the Collateral Agent, for the benefit of the Secured Parties, as additional Collateral for the Obligations. Except for cash dividends and other cash distributions made in accordance with Section 3.2(s)(iii), in case any distribution shall be

made on or in respect of the Pledged Stock or any property shall be distributed upon or with respect to the Pledged Stock, the property so distributed shall be delivered to the Collateral Agent, for the benefit of the Secured Parties, within five (5) Business Days of its receipt, to be held by it as additional Collateral for the Obligations.

(ii) Each Grantor shall cause each Issuer to agree that (i) it will be bound by the terms of this Agreement relating to the Pledged Stock issued by it and will comply with such terms insofar as such terms are applicable to it and (ii) the terms of Sections 3.2(s)(iv) and 4.1(e) shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to Section 3.2(s)(iv) with respect to the Pledged Stock issued by it.

(iii) Unless an Event of Default shall have occurred and be continuing, each Grantor shall be permitted to receive cash dividends and other cash distributions in respect of the Pledged Stock paid in the normal course of business or otherwise as a result of the exercise of reasonable business judgment of the relevant Issuer and to exercise all voting and corporate rights with respect to the Pledged Stock; provided, that no vote shall be cast or corporate or other organizational right exercised or other action taken which would be inconsistent with or result in any diminution in the value of the Pledged Stock (other than the approval and actions related to the payment of any such cash dividends or other cash distributions).

(iv) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Stock to (i) comply with any instruction received by it from the Collateral Agent in writing that (1) states that an Event of Default has occurred and is continuing and (2) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying and shall have no duty or right to inquire as to the Collateral Agent's authority to give such instruction, and (ii) when required hereby, pay any dividends or other payments with respect to the Pledged Stock directly to the Collateral Agent, for the benefit of the Secured Parties.

(t) Subsidiaries. If any Subsidiary of any Grantor shall own, acquire or have an interest in a material asset or property, such Person shall promptly, but in no case more than five (5) Business Days after such acquisition, execute and deliver a Security Agreement Supplement in accordance with Section 6.2 to become an Additional Grantor. As of the date hereof, no Subsidiary of any Grantor owns an interest in any material assets or property.

ARTICLE IV

REMEDIES, POWERS AND AUTHORIZATIONS

Section 4.1 Provisions Concerning the Collateral.

(a) Authorization to file Financing Statements. Each Grantor hereby irrevocably agrees to file in any necessary jurisdiction any amendments to existing financing statements and any initial financing statements and amendments thereto that (i) indicate the

Collateral (1) as "all assets of such debtor other than the Award" or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or the corresponding provisions of the PPSA, or (2) as being of an equal or lesser scope or with greater detail; (ii) contain any other information required by Article 9 of the UCC or the corresponding provisions of the PPSA for the sufficiency or filing office acceptance of any financing statement or amendment, including the address of such Grantor, whether such Grantor is an organization, the type of organization and any organization identification number issued to such Grantor; and (iii) are necessary to properly effectuate the transactions described in the Finance Documents. Each Grantor agrees to furnish copies of such filings to the Collateral Agent promptly. Each Grantor hereby further agrees to file one or more continuation statements to such financing statements.

(b) Power of Attorney. Each Grantor hereby irrevocably appoints the Collateral Agent as such Grantor's attorney-in-fact and proxy, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, upon the occurrence and during the continuance of an Event of Default, to take any action, and to execute or endorse any instrument, certificate or notice, which the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including any action or instrument: (i) to obtain and adjust any insurance required to be maintained by the Grantors hereunder or paid to the Collateral Agent pursuant hereto; (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral; (iii) to receive, indorse and collect any drafts or other Instruments, Documents or other Collateral; (iv) to enforce any obligations included among the Collateral; and (v) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce, perfect, or establish the priority of the rights of such Grantor or the Collateral Agent with respect to any of the Collateral. Each Grantor hereby acknowledges that such power of attorney and proxy are coupled with an interest, are irrevocable, and are to be used by the Collateral Agent for the sole benefit of the Secured Parties.

(c) Performance by the Collateral Agent. If any Grantor fails to perform promptly any agreement or obligation contained herein, the Collateral Agent may, but shall not be obligated to, itself perform, or cause performance of, such agreement or obligation, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by such Grantor under Section 5.5.

(d) Bailees. If any Collateral of any Grantor is at any time in the possession or control of any warehouseman, bailee or any of such Grantor's agents or processors, such Grantor shall, upon the occurrence and during the continuance of an Event of Default, upon the reasonable request of the Collateral Agent, promptly notify such warehouseman, bailee, agent or processor of the Collateral Agent's rights hereunder and instruct such Person to hold all such Collateral for the Collateral Agent's account subject to the Collateral Agent's instructions. No such request by the Collateral Agent shall be deemed a waiver of any provision hereof which was otherwise violated by such Collateral being held by such Person prior to such instructions by such Grantor.

(e) Sales of Pledged Stock. (i) Each Grantor recognizes that the Collateral Agent may be unable to effect a public sale of any or all the Pledged Stock, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that selling collateral in a private sale as opposed to a public sale shall not be deemed to make such sale other than in a commercially reasonable manner. The Collateral Agent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so.

(ii) Each Grantor agrees to use their best efforts to promptly do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section 4.1(e) valid and binding and in compliance with any and all other applicable laws.

(f) Collection. The Collateral Agent shall have the right at any time, upon the occurrence and during the continuance of an Event of Default and upon written notice to such Grantor of its intention to do so, to notify, or to require any Grantor to notify, any and all obligors under any Receivables, General Intangibles, Instruments, Chattel Paper, or other rights to payment included among the Collateral of the assignment thereof to the Collateral Agent under this Agreement and to direct such obligors to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Agent and, upon such notification and at the expense of such Grantor and to the extent permitted by law, to enforce collection of any such Receivables, General Intangibles, Instruments, Chattel Paper, or other rights to payment and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor could have done. After any Grantor receives notice that the Collateral Agent has given, or after the Collateral Agent has required any Grantor to give, any notice referred to above in this subsection, and so long as any Event of Default shall be continuing:

(i) all amounts and proceeds (including instruments and writings) received by such Grantor in respect of such Receivables, General Intangibles, Instruments, Chattel Paper, or other rights to payment shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Collateral Agent in the same form as so received (with any necessary endorsement) to be, at the Collateral Agent's discretion, either (A) held as cash collateral and released to such Grantor upon the remedy of all Events of Default, or (B) while any Event of Default is continuing, applied as specified in Section 4.3, and

(ii) such Grantor will not adjust, settle or compromise the amount or payment of any such Receivable, General Intangible, Instrument, Chattel Paper, or other

right to payment or release wholly or partly any account debtor or obligor thereof or allow any credit or discount thereon.

Section 4.2 Event of Default Remedies.

If an Event of Default shall have occurred and be continuing, the Collateral Agent may from time to time in its discretion, without limitation and without notice except as expressly provided below, in each case as directed by the Trustee:

(a) exercise in respect of the Collateral, in addition to any other rights and remedies provided for herein or otherwise available to it at law, in equity or under any statute or other agreement, all the rights and remedies of a secured party on default under the UCC and the PPSA (to the extent the UCC or the PPSA applies to the affected Collateral);

(b) require each Grantor to, and each Grantor hereby agrees that it will at its expense and upon request of the Collateral Agent forthwith, assemble all or part of the Collateral as directed by the Collateral Agent and make it (together with all books, records and information of such Grantor relating thereto) available to the Collateral Agent at a place to be designated by the Collateral Agent;

(c) prior to the disposition of any Collateral, (i) to the extent permitted by applicable law, enter, with or without process of law and without breach of the peace, any premises where any of the Collateral is or may be located, and without charge or liability to the Collateral Agent seize and remove such Collateral from such premises, (ii) have access to and use the relevant Grantor's books, records, and information relating to the Collateral, and (iii) store or transfer any of the Collateral without charge in or by means of any storage or transportation facility owned or leased by the relevant Grantor, process, repair or recondition any of the Collateral or otherwise prepare it for disposition in any manner and to the extent the Collateral Agent deems appropriate and, solely as reasonably necessary for such preparation and disposition, use without charge any copyright, trademark, trade name, patent or technical process used by such Grantor;

(d) reduce its claim to judgment or foreclose or otherwise enforce, in whole or in part, the security interest created hereby by any available judicial procedure;

(e) dispose of, at its office, on the premises of the respective Grantor or elsewhere, all or any part of the Collateral, as a unit or in parcels, by public or private proceedings, and by way of one or more contracts (it being agreed that the sale of any part of the Collateral shall not exhaust the Collateral Agent's power of sale, but sales may be made from time to time, and at any time, until all of the Collateral has been sold or until the Secured Obligations have been irrevocably paid and performed in full), and at any such sale it shall not be necessary to exhibit any of the Collateral;

(f) buy (or allow one or more of the Secured Parties to buy) the Collateral, or any part thereof, at any public sale;

(g) buy (or allow one or more of the Secured Parties to buy) the Collateral, or any part thereof, at any private sale if the Collateral is of a type customarily sold in a

recognized market or is of a type which is the subject of widely distributed standard price quotations;

(h) appoint by instrument in writing one or more receivers, interim receiver, managers or receiver/manager for the Collateral or the business and undertaking of any Grantor pertaining to the Collateral; and

(i) exercise all voting rights, or any other ownership or consensual rights (including any dividend or distribution rights) in respect of the Pledged Interests owned by such Grantor, but under no circumstances is Collateral Agent obligated by the terms of this Agreement to exercise such rights, and (b) if Collateral Agent duly exercises its right to vote any of such Pledged Interests, such Grantor hereby appoints Collateral Agent, such Grantor's true and lawful attorney-in-fact and proxy to vote such Pledged Interests in any manner Collateral Agent deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders, partners or members, as the case may be. The power-of-attorney and proxy granted hereby is coupled with an interest and shall be irrevocable during any period when an Event of Default has occurred and is continuing. Upon such Event of Default being cured or waived, such rights shall automatically revert to the Grantor and such power-of attorney and proxy shall terminate.

Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

In addition to the foregoing, if any Event of Default has occurred and is continuing:

(A) the Collateral Agent may license, or sublicense whether on an exclusive or non-exclusive basis, any Copyrights, Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Collateral Agent shall in its sole discretion determine unless such action is prohibited by the terms of a Copyright License, Trademark License or Patent License included in the Collateral;

(B) the Collateral Agent may (without assuming any obligations or liability thereunder), at any time and from time to time, in its sole discretion, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Grantor in, to and under any Copyright Licenses, Patent Licenses or Trademark Licenses included in the Collateral and take or refrain from taking any action under any thereof unless such action is prohibited by the terms of a Copyright License, Trademark License or Patent License included in the Collateral; and

(C) upon request by the Collateral Agent, each Grantor will execute and deliver to the Collateral Agent a power of attorney, in form and substance satisfactory to the Collateral Agent, for the implementation of any lease, assignment, license,

sublicense, grant of option, sale or other disposition of a Copyright, Patent or Trademark or any action related thereto.

Section 4.3 Disposition of Pledged Interests by Collateral Agent.

None of the Pledged Interests existing as of the date hereof are, and Pledged Interests hereafter acquired on the date of acquisition thereof may or may not be, registered or qualified under the various federal or state securities laws of the United States and disposition thereof after an Event of Default has occurred and is continuing may be restricted to one or more private (instead of public) sales in view of the lack of such registration. Each Grantor understands that in connection with such disposition, Collateral Agent may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Pledged Interests than if the Pledged Interests were registered and qualified pursuant to federal and state securities laws and sold on the open market. Each Grantor, therefore, agrees that: (a) if Collateral Agent shall, pursuant to the terms of this Agreement, sell or cause the Pledged Interests or any portion thereof to be sold at a private sale, Collateral Agent shall have the right to rely upon the advice and opinion of any nationally recognized brokerage or investment firm (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to offer the Pledged Interest or any portion thereof for sale and as to the best price reasonably obtainable at the private sale thereof; and (b) such reliance shall be conclusive evidence that Collateral Agent has handled the disposition in a commercially reasonable manner.

Section 4.4 Application of Proceeds.

If the Collateral Agent collects any money pursuant to this Agreement upon realization of any Collateral, it shall pay out the money in the following order:

(a) *first,* to the Trustee and the Collateral Agent, their agents and attorneys for amounts due to them hereunder or under the Indenture, including payment of all compensation, expenses and liabilities incurred, and all indemnities due to the Trustee or the Collateral Agent and the costs and expenses of collection;

(b) *second,* to the Trustee, for the benefit of the Noteholders for amounts due and unpaid on the Notes for principal, premium, if any, interest and any other amounts;

(c) *third*, to the CVR Holders an amount set forth in a Surplus Certificate furnished by the Borrower to the Collateral Agent, which shall be delivered to the Collateral Agent as soon as reasonably practicable. The "Surplus Certificate" is a certificate that sets forth the Borrower's reasonable calculation of the amount that is then due and payable to the CVR Holders pursuant to the terms of the CVRs, as approved by the Board of Directors of the Company (the "CVR Amount"), and is signed by the Chief Executive Officer of the Borrower. Distributions to the CVR Holders will be subject to receipt by the Collateral Agent of the following information or documentation from the relevant CVR Holder: wiring instructions (including a telephone number and contact for call-back confirmation); W-8, W-9 or other relevant tax forms and such other information as the Collateral Agent may require. Distributions to the CVR Holders will be made in an amount based on the CVR ownership percentage indicated for the relevant CVR Holder on Exhibit A hereto, as such amount may be amended from time to time in writing delivered by the relevant CVR Holder to the Collateral Agent to reflect any transfers of CVRs. The Collateral Agent shall provide a copy of the Surplus Certificate to any CVR Holders holding 25% or more of the aggregate CVRs held by CVR Holders as set forth on Exhibit A hereto as in effect at such time; and

(d) *fourth*, the Surplus Amount to the Borrower or to such party as a court of competent jurisdiction shall direct including another Grantor, if applicable. The "Surplus Amount" is the amount of money remaining after payment by the Collateral Agent of the CVR Amount.

Subject to any applicable abandoned property law, any money collected hereunder by the Collateral Agent for the CVR Holders remaining unclaimed for two years after such collection shall be paid to the Borrower on its written request; and the relevant CVR Holder shall thereafter look only to the Borrower for payment thereof, and all liability of the Collateral Agent with respect to such money shall thereupon cease.

Section 4.5 Deficiency.

In the event that the proceeds of any sale, collection or realization of or upon Collateral by the Collateral Agent are insufficient to pay all Secured Obligations and any other amounts to which the Collateral Agent or any other Secured Party is legally entitled, all Grantors shall be jointly and severally liable for the deficiency, together with interest thereon as provided in the governing Finance Documents or (if no interest is so provided) at such other rate as shall be fixed by applicable law, together with the costs of collection and the fees of any legal counsel employed by the Collateral Agent or any other Secured Party to collect such deficiency.

Section 4.6 Non-Judicial Remedies.

In granting to the Collateral Agent the power to enforce its rights hereunder without prior judicial process or judicial hearing, each Grantor expressly waives, renounces and knowingly relinquishes any legal right which might otherwise require the Collateral Agent to enforce its rights by judicial process. In so providing for non-judicial remedies, each Grantor recognizes and concedes that such remedies are consistent with the usage of trade, are responsive to commercial necessity, and are the result of a bargain at arm's length. Nothing herein is intended, however, to prevent the Collateral Agent from resorting to judicial process at its option.

Section 4.7 Other Recourse.

Each Grantor waives any right to require the Collateral Agent or any other Secured Party to proceed against any other Person, to exhaust any Collateral or other security for the Secured Obligations, to have any other Grantor or any Other Liable Party joined with such Grantor in any suit arising out of the Secured Obligations or this Agreement, or to pursue any other remedy in the Collateral Agent's or such Secured Party's power. Each Grantor further waives any and all notice of acceptance of this Agreement and of the creation, modification, rearrangement, renewal or extension for any period of any of the Secured Obligations of any other Grantor or any Other Liable Party from time to time. Each Grantor further waives any defense arising by reason of any disability or other defense of any other Grantor or any Other Liable Party or by reason of the cessation from any cause whatsoever of the liability of any other Grantor or any Other Liable Party. This Agreement shall continue as to each Grantor irrespective of the fact that the liability of any other Grantor or any Other Liable Party may have ceased and irrespective of the validity or enforceability of any other Finance Document to which any Grantor or any Other Liable Party may be a party, and notwithstanding any death, incapacity, reorganization, or bankruptcy of any Grantor or any Other Liable Party or any other event or proceeding affecting any Grantor or any Other Liable Party. Until all of the Secured Obligations shall have been irrevocably paid in full, no Grantor shall have any right to subrogation and each Grantor waives the right to enforce any remedy which the Collateral Agent or any other Secured Party has or may hereafter have against any other Grantor or any Other Liable Party, and waives any benefit of and any right to participate in any other security whatsoever now or hereafter held by the Collateral Agent. Each Grantor authorizes the Collateral Agent and each other Secured Party, without notice or demand, without any reservation of rights against such Grantor, and without in any way affecting such Grantor's liability hereunder or on the Secured Obligations, from time to time to (a) take or hold any other property of any type from any other Person as security for the Secured Obligations, and exchange, enforce, waive and release any or all of such other property, (b) apply the Collateral or such other property and direct the order or manner of sale thereof as the Collateral Agent or such Secured Party may in its discretion determine, (c) renew, extend for any period, accelerate, modify, compromise, settle or release any of the obligations of any other Grantor or any Other Liable Party in respect of any or all of the Secured Obligations or other security for the Secured Obligations, (d) waive, enforce, modify, amend, restate or supplement any of the provisions of any Finance Document with any Person other than such Grantor and (e) release or substitute any Grantor or any Other Liable Party.

ARTICLE V
TRUSTEE AND COLLATERAL AGENT

Section 5.1 Duties of Collateral Agent.

(a) The Collateral Agent is hereby appointed by the Borrower as the Collateral Agent for the Secured Parties. The Collateral Agent shall only act at the direction of the Trustee, subject to its rights herein. The Collateral Agent shall be merely an agent and have no fiduciary duties to the Trustee, the Noteholders or the CVR Holders. The Collateral Agent may refuse to follow any direction that conflicts with law or this Agreement or that may result in personal liability to the Collateral Agent. Prior to taking any action under this Agreement, the Collateral Agent will be entitled to indemnification or security satisfactory to it in its sole discretion against all losses, liabilities, fees and expenses caused by taking or not taking such action in accordance herewith.

(i) The duties of the Collateral Agent shall be determined solely by the express provisions of this Agreement and the Collateral Agent need perform only those duties that are specifically set forth in this Agreement and no others, and no implied covenants or obligations shall be read into this Agreement or the Security Documents against the Collateral Agent.

(ii) In the absence of bad faith on its part, the Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Collateral Agent.

(iii) The Collateral Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Collateral Agent was grossly negligent in ascertaining the pertinent facts.

(iv) The Collateral Agent shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to this Agreement.

(b) No provision of this Agreement or any other Finance Document shall require the Collateral Agent to expend or risk its own funds or incur any liability in the performance of any of its duties hereunder.

(c) The Collateral Agent shall not be liable for interest on any money received by it or to make any investments. Money held by the Collateral Agent need not be segregated from other funds.

(d) The Collateral Agent shall not be deemed to have notice or any knowledge of any matter (including without limitation Events of Default) unless a Responsible Officer of the Collateral Agent, has received written notice thereof (addressed as provided in Section 6.1), and such notice clearly references the Notes or this Agreement.

(e) The rights, privileges and protections of the Collateral Agent set forth in this Article V shall apply equally in respect of the any other document to which the Collateral Agent is a party.

Section 5.2 Rights of the Collateral Agent.

(a) The Collateral Agent may conclusively rely upon and will be protected in acting or refraining from acting upon, whether in its original, facsimile or other electronic form, any document believed by it to be genuine and to have been signed or presented by the proper Person. The Collateral Agent need not investigate any fact or matter stated in the document (regardless of whether any such document is subject to any monetary or other limit).

(b) Before the Collateral Agent acts or refrains from acting, it may require an officers' certificate or an opinion of counsel or both. The Collateral Agent shall not be liable for any action taken or not taken in good faith in reliance on such officers' certificate or opinion of counsel, as the case may be. The Collateral Agent may consult with professional advisers (including counsel) and the advice or written advice of such professional adviser or any opinion of counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by them hereunder in good faith and in reliance thereon.

(c) The Collateral Agent may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Collateral Agent shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Agreement.

(e) The Collateral Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Trustee unless it has been offered security or indemnity satisfactory to the Collateral Agent against the losses, liabilities and expenses that might be incurred by it in compliance with such request or direction.

(f) The Collateral Agent shall have no duty to inquire as to the performance of the covenants of the Grantors herein or to determine the accuracy of the representations and warranties of the Grantors herein. Delivery of reports, information and documents to the Collateral Agent is for informational purposes only and the Collateral Agent's receipt of the foregoing shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein.

(g) The Collateral Agent is not required to give any bond or surety with respect to the performance or its duties or the exercise of its powers under this Agreement.

(h) The permissive right of the Collateral Agent to take the actions permitted by this Agreement shall not be construed as an obligation or duty to do so. Notwithstanding anything in this Agreement to the contrary, the Collateral Agent shall not exercise any discretion or take any discretionary actions, but shall act only as directed by the Trustee and subject to its rights and protections herein, including the right to be indemnified or secured to its satisfaction prior to acting.

(i) In no event shall the Collateral Agent be responsible or liable for any failure or delay in the performance of their obligations hereunder arising out of or caused by acts of war or terrorism or any other national or international calamity or emergency (including natural disasters or acts of God), it being understood that the Collateral Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(j) In no event shall the Collateral Agent be liable for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including but not limited to lost profits, whether or not foreseeable, even if the Collateral Agent has been advised of the possibility thereof and regardless of the form of action in which such damages are sought.

(k) The Collateral Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document.

(l) No provision of this Agreement shall require the Collateral Agent to do anything which, in its opinion on advice of counsel, may be illegal or contrary to applicable law or regulation.

(m) The Collateral Agent may retain professional advisors to assist it in performing its duties under this Agreement. The Collateral Agent may consult with such professional advisors or with counsel, and the advice or opinion of such professional advisors or counsel with respect to legal or other matters relating to this Agreement and the other Finance Documents shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by them hereunder in good faith and in reliance on the advice or opinion of such counsel.

(n) The Collateral Agent shall accept without investigation, requisition or objection such right and title as each Grantor may have to any of the Collateral and shall not be bound or concerned to examine or inquire into or be liable for any defect or failure in the right or title of the relevant Grantor to the Collateral or any part thereof, whether such defect or failure was known to the Collateral Agent or might have been discovered upon examination or inquiry and whether capable of remedy or not, and shall have no responsibility for the validity, value or sufficiency of the Collateral.

(o) Without prejudice to the provisions hereof, the Collateral Agent shall be under no obligation to insure any of the Collateral or any certificate, note, bond or other evidence in respect thereof, or to require any other Person to maintain any such insurance and shall not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Collateral being uninsured or inadequately insured.

(p) The Collateral Agent shall not be responsible for any loss, expense or liability occasioned to the Collateral, howsoever caused, by the Collateral Agent or by any act or omission on the part of any other Person (including any bank, broker, depositary, warehouseman or other intermediary or by any clearing system or other operator thereof), or otherwise, unless such loss is occasioned by the gross negligence, willful misconduct or fraud of the Collateral Agent.

(q) Beyond the exercise of reasonable care in the custody thereof, the Collateral Agent shall have no duty or liability as to the Collateral (if any) in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and the Collateral Agent shall not be responsible or liable for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise creating, perfecting or maintaining the priority, perfection or validity of any security interest in the Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Collateral Agent in good faith.

(r) The Collateral Agent shall not be required to take fee simple title to any property, unless prior to taking any remedial action upon default (such as foreclosure action), it has the right to perform sufficient due diligence (which may require environmental assessments under applicable law, including Phase I and Phase II Environmental Site

Assessments), and it has obtained indemnification or security satisfactory to the Collateral Agent and its counsel familiar with applicable environmental law. The parties hereto hereby agree and acknowledge (and the Noteholders and CVR Holders are deemed to hereby agree and acknowledge) that the neither the Trustee nor the Collateral Agent shall assume, be responsible for or otherwise be obligated for any liabilities, claims, causes of action, suits, losses, allegations, requests, demands, penalties, fines, settlements, damages (including foreseeable and unforeseeable), judgments, expenses and costs (including but not limited to, any remediation, corrective action, response, removal or remedial action, or investigation, operations and maintenance or monitoring costs, for personal injury or property damages, real or personal) of any kind whatsoever, pursuant to any environmental law as a result of this Agreement or any actions taken pursuant hereto unless the foregoing are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from its own gross negligence or willful misconduct. Further, the parties hereto hereby agree and acknowledge (and the Noteholders and CVR Holders are deemed to hereby agree and acknowledge) that in the exercise of its rights under this Agreement, although the Collateral Agent may hold or obtain indicia of ownership primarily to protect the security interest of the Collateral Agent in the Collateral, including without limitation the properties under the real property that constitute Collateral, any such actions taken by the Collateral Agent shall not be construed as or otherwise constitute any participation in the management of such Collateral, including without limitation the real properties that constitute Collateral, under any applicable environmental law, including as those terms are defined in Section 101(20)(E) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq., as amended ("CERCLA"), so long as such actions conform to the requirements, and do not exceed the limitations, of such definitions.

Section 5.3 Individual Rights of the Collateral Agent.

The Collateral Agent in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with any Grantor or any affiliate thereof with the same rights it would have if it were not Collateral Agent.

Section 5.4 Disclaimer for Collateral Agent.

The Collateral Agent shall not be responsible for and the Collateral Agent makes no representation as to the validity or adequacy of this Agreement, any other Finance Document or the Collateral. The Collateral Agent shall not be accountable for any statement or recital herein. The Collateral Agent shall be entitled to assume without inquiry that the Grantors have performed in accordance with all the provisions in this Agreement.

Section 5.5 Compensation and Indemnity.

The Borrower and each other Grantor, jointly and severally, shall pay to each of the Collateral Agent from time to time such compensation as shall be agreed in writing for its services hereunder. The Collateral Agent's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Borrower, and each other Grantor, jointly and severally, shall reimburse the Collateral Agent promptly upon reasonable request for all disbursements, advances (if any) and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the compensation, disbursements and expenses of the Collateral Agent's agents and counsel.

(a) The Borrower and each other Grantor, jointly and severally, shall indemnify the Collateral Agent (which for purposes of this Section 5.5(b) shall include its officers, directors, employees and agents) against any and all losses, liabilities or expenses incurred by it arising out of, or in connection with, the acceptance or administration of its duties under this Agreement, including the costs and expenses of, and taxes paid by the Collateral Agent in connection with, enforcing its rights in the Collateral and this Agreement against the Borrower and the other Grantors (including this Section 5.5(b)) and defending itself against any claim (whether asserted by the Borrower, the other Grantors, or any Noteholder or CVR Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder or under the Finance Documents, except to the extent any such loss, liability or expense may be attributable to the Collateral Agent's willful misconduct or gross negligence. None of the Borrower nor any other Grantor need pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

(b) In addition to the foregoing, the Borrower and the other Grantors shall, jointly and severally, indemnify and hold harmless the Collateral Agent or Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages or reasonable costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of the following in respect of the Collateral: (w) the presence, disposal, release, or threatened release of any Hazardous Materials which are on, from, or affecting the soil, water, vegetation, buildings, personal property, Persons or animals; (x) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (y) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials, and/or (z) any violation of laws, orders, regulations, requirements or demands of government authorities, which are based upon or in any way related to such Hazardous Materials including, reasonable attorney and consultant fees and expenses, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses, except, in each case, where such claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses arise from the gross negligence or willful misconduct of the Collateral Agent as determined in a final, non-appealable order of a court of competent jurisdiction. For purposes of this paragraph, "Hazardous Materials" includes radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances defined in CERCLA, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 5108, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other Federal, state or local environmental law, ordinance, rule, or regulation. The provisions of this paragraph shall be in addition to any and all other obligations and liabilities the Borrower and the other Grantors may have to the Collateral Agent or the Trustee at common law, and shall survive the termination of this Agreement or the resignation or removal of the Collateral Agent or the Trustee.

(c) To secure the Borrower's and any other Grantor's payment obligations in this Section 5.5, the Collateral Agent shall have a Lien prior to the other Secured Parties on all money or property held or collected by the Collateral Agent, in its capacity as Collateral Agent. Such lien shall survive the termination of this Agreement or the resignation or removal of the Collateral Agent.

(d) Without prejudice to any other rights available to the Collateral Agent, when the Collateral Agent incurs expenses or renders services after an Event of Default occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any bankruptcy law.

Section 5.6 Replacement of Collateral Agent.

A resignation or removal of the Collateral Agent and appointment of a successor Collateral Agent shall become effective only upon the successor Collateral Agent's acceptance of appointment as provided in this Section 5.6.

(a) The Collateral Agent may resign in writing at any time by so notifying the Borrower. The Noteholders holding of a majority in aggregate principal amount of the then outstanding Notes may remove the Collateral Agent by so notifying the Trustee, the Collateral Agent and the Borrower in writing. The Borrower may remove the Trustee if:

(i) the Collateral Agent is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Collateral Agent under any bankruptcy law;

(ii) a custodian or public officer takes charge of the Collateral Agent or its property; or

(iii) the Collateral Agent becomes incapable of acting.

(b) If the Collateral Agent resigns or is removed or if a vacancy exists in the office of Collateral Agent for any reason, the Borrower shall promptly appoint a successor Collateral Agent. Within one (1) year after the successor Collateral Agent takes office, the Noteholders holding of a majority in aggregate principal amount of the then outstanding Notes may appoint a successor Collateral Agent to replace the successor Collateral Agent appointed by the Borrower.

(c) If a successor Collateral Agent does not take office within thirty (30) days after the retiring Collateral Agent resigns or is removed the retiring Collateral Agent, the Borrower or the Noteholders holding at least ten percent (10%) in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Collateral Agent.

(d) A successor Collateral Agent shall deliver a written acceptance of its appointment to the retiring Collateral Agent, the Trustee and the Borrower. Thereupon, the resignation or removal of the retiring Collateral Agent shall become effective, and the successor Collateral Agent shall have all the rights, powers and duties of the Collateral Agent under this Agreement. The successor Collateral Agent shall mail a notice of its succession to the Noteholders and the CVR Holders. The retiring Collateral Agent shall promptly transfer all property held by it as Collateral Agent to the successor Collateral Agent; provided, however, that all sums owing to the retiring Collateral Agent hereunder have been paid and subject to the lien provided for in Section 5.5. Notwithstanding replacement of the Collateral Agent pursuant to this Section 5.6, the Borrower's and each other Grantor's obligations under Section 5.5 shall continue for the benefit of the retiring Collateral Agent.

Section 5.7 Successor Collaterl Agent by Merger.

If the Collateral Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another entity, the successor entity without any further act shall be the successor Collateral Agent.

Section 5.8 USA Patriot Act.

The Borrower and the other Grantors acknowledge that in accordance with Section 326 of the USA Patriot Act, the Collateral Agent, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each Person or legal entity that establishes a relationship or opens an account. The Borrower and the other Grantors undertake to provide the Collateral Agent with such information as it may request in order for it to satisfy the requirements of the USA Patriot Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

Section 5.9 Tax Compliance.

In order to comply with applicable tax laws (inclusive of rules, regulations and interpretations promulgated by competent authorities) related to the Notes or CVRs in effect from time to time ("Applicable Tax Law") that a foreign financial institution, issuer, trustee, collateral agent or other party is or has agreed to be subject to, the Borrower agrees (i) to provide to the Collateral Agent sufficient information about the parties or transactions (including any modification to the terms of such transactions) so the Collateral Agent can determine whether it has tax related obligations under Applicable Tax Law and (ii) that the Collateral Agent shall be entitled to make any withholding or deduction from payments to the extent necessary to comply with Applicable Tax Law for which the Collateral Agent shall not have any liability. The terms of this Section 5.9 shall survive the termination of this Indenture.

Section 5.10 Appointment of Collateral Agents.

At any time or times, in order to comply with any legal requirement in any jurisdiction, the Collateral Agent may appoint any bank or trust company or one or more other Persons, either to act as co-agent or co-agents, jointly with the Collateral Agent, or to act as separate agent or agents on behalf of the Collateral Agent and the other Secured Parties, with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment. In so doing, the Collateral Agent may, in the name and on behalf of any Grantor, give to such co-agent or separate agent indemnities and other protections similar to those provided in this Agreement for the Collateral Agent. The Collateral Agent shall notify Grantors in writing of any such appointment promptly thereafter; provided that, no such notice shall be required if such appointment was made in connection with the Collateral Agent's or any other Secured Party's exercise of any remedies hereunder or if an Event of Default has occurred and is continuing. The Collateral Agent shall not be responsible for the misconduct or negligence of any agent appointed with due care or if acting pursuant to the direction of the Trustee.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Notices.

Any notice or communication required or permitted hereunder shall be given as provided in Sections 1.05 and 1.06 of the Indenture and shall be addressed to the Collateral Agent and to each other Grantor at the address listed on such Grantor's signature page hereto or to such other address or to the attention of such other individual as hereafter shall be designated in writing by the applicable party sent in accordance herewith. The address of the Collateral Agent is as set forth below its signature, or at such other address as notified from time to time to the parties hereto.

Section 6.2 Amendments; Security Agreement Supplements.

No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by each Grantor, the Trustee and the Collateral Agent, and no waiver of any provision of this Agreement, and no consent to any departure by any Grantor therefrom, shall be effective unless it is in writing and signed by the Trustee and the Collateral Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given and to the extent specified in such writing. Upon the execution and delivery by any Person of a security agreement supplement in substantially the form of Exhibit E (each, a "Security Agreement Supplement"): (a) such Person shall be referred to as an "Additional Grantor" and shall become and be a Grantor hereunder, and each reference in this Agreement to a "Grantor" shall also mean and be a reference to such Additional Grantor; and (b) each reference herein to "this Agreement," "hereunder," "hereof" or words of like import referring to this Agreement, and each reference in any other Finance Document or the Restructuring and Purchase Agreement to the "Security Agreement," "thereunder," "thereof" or words of like import referring to this Agreement, shall mean and be a reference to this Agreement as supplemented by such Security Agreement Supplement. To the extent requested by the Majority Holders, the Grantors and the Collateral Agent shall amend the provisions of this Agreement to delineate between the Notes and the CVRs in such fashion as reasonably agreed by such holders, the Grantors and the Collateral Agent (acting on its own behalf and not on behalf of the CVR Holders).

Section 6.3 Preservation of Rights.

No failure on the part of the Collateral Agent or any other Secured Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. Neither the execution nor the delivery of this Agreement shall in any manner impair or affect any other security for the Secured Obligations. The rights and remedies of the Collateral Agent provided herein are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law or otherwise.

Section 6.4 No Duty of Trustee to CVR Holders.

The Trustee is entering into this Agreement at the deemed direction of the Noteholders pursuant to the terms of the Fourth Supplemental Indenture. In entering into this Agreement and in acting under this Agreement, including in connection with the delivery of any enforcement directions to the Collateral Agent, the Trustee is acting solely as trustee on behalf of the holders of the Notes and not on behalf of the CVR Holders. The parties hereto acknowledge and agree, and by their holding of a CVR, each CVR Holder will be deemed to have acknowledged and agreed, that the Trustee is neither a trustee for nor an agent of the CVR Holders; it is performing no duties on behalf of the CVR Holders and owes the CVR Holders no duty of loyalty or care.

Section 6.5 Unenforceability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity without invalidating the remaining portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 6.6 Survival of Agreements.

All representations and warranties of each Grantor herein and all covenants and agreements herein shall survive the execution and delivery of this Agreement, the execution and delivery of any other Finance Document and the creation of the Secured Obligations.

Section 6.7 Other Liable Parties.

Neither this Agreement nor the exercise by the Collateral Agent or any Secured Party or the failure of the Collateral Agent or any Secured Party to exercise any right, power or remedy conferred herein or by law shall be construed as relieving any Grantor or any Other Liable Party from liability on the Secured Obligations or any deficiency thereon.

Section 6.8 Binding Effect and Assignment.

This Agreement creates a continuing security interest in the Collateral and: (a) shall be binding on each Grantor and its successors and assigns; and (b) shall inure, together with all rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Secured Parties and their respective successors, permitted transferees and permitted assigns. Without limiting the generality of the foregoing, the Collateral Agent and the other Secured Parties may (except as otherwise provided in the other Finance Documents) pledge, assign or otherwise transfer any or all of their respective rights under any or all of the Finance Documents to any other Person, and such other Person shall thereupon become vested with all of the benefits in respect thereof granted herein or otherwise. None of the rights or duties of any Grantor hereunder may be assigned or otherwise transferred without the prior written consent of the Collateral Agent.

Section 6.9 Termination.

Upon the satisfaction in full of the Secured Obligations under the Indenture and the termination, discharge or expiration of the Indenture (other than indemnity or miscellaneous obligations that survive the termination of this Agreement for which no notice of claims has been received by the Grantors) or alternatively upon satisfaction of the requirements set forth in Section 5.7 of the Restructuring and Purchase Agreement, the Collateral shall be released from the Liens created hereby, and this Agreement shall terminate (other than those provisions expressly stated to survive such termination) and all rights to the Collateral shall revert to the applicable Grantor, all without delivery of any instrument or performance of any act by any party. The Collateral Agent will thereafter, upon any Grantor's request and at such Grantor's expense, (a) return to such Grantor such of the Collateral in the Collateral Agent's possession as shall not have been sold or otherwise disposed of or applied pursuant to the terms hereof and (b) execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination. If any of the Collateral shall be sold or otherwise disposed of by any Grantor in a transaction permitted by the Finance Documents, then the Collateral Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary for the release of the Liens created hereby on such Collateral. Each Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement originally filed in connection herewith, other than any required continuation statements, without the prior written consent of the Collateral Agent, subject to such Grantor's rights under Sections 9-509(d)(2) and 9-518 of the New York UCC. Notwithstanding anything to the contrary in any Finance Document, upon the satisfaction in full of the Secured Obligations under the Indenture and the termination, discharge or expiration of the Indenture or alternatively upon satisfaction of the requirements set forth in Section 5.7 of the Restructuring and Purchase Agreement, this Agreement and the Liens created hereby shall terminate and the remaining Secured Obligations shall no longer receive the benefit of this Agreement or the Liens created hereby.

Section 6.10 Governing Law.

THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE RELATED TO OR IN CONNECTION WITH THIS AGREEMENT, ANY FINANCE DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, THE RELATIONSHIP OF THE PARTIES HERETO AND THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES HERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 6.11 Submission to Jurisdiction; Waiver of Venue; Service of Process.

(A) EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCE DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER FINANCE DOCUMENT SHALL AFFECT ANY RIGHT THAT THE COLLATERAL AGENT OR ANY OTHER SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER FINANCE DOCUMENT AGAINST ANY GRANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(B) EACH GRANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY

OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCE DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (A) OF THIS SECTION. EACH GRANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(C) EACH GRANTOR CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 6.1. NOTHING IN THIS AGREEMENT OR ANY OTHER FINANCE DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 6.12 Waiver of Jury Trial.

EACH GRANTOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCE DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH GRANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCE DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 6.13 Final Agreement.

This Agreement and any separate letter agreement with respect to fees payable to the Collateral Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

Section 6.14 Counterparts.

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of an original executed counterpart of this Agreement.

Section 6.15 Judgment Currency

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any of the Finance Documents, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or any of the Finance Documents in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the exchange rate available to Collateral Agent prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in such exchange rate prevailing between the Business Day before the day on which the judgment is given and the date of receipt

by Collateral Agent of the amount due, the Grantors will, on the date of receipt by Collateral Agent, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by Collateral Agent on such date is the amount in the Judgment Currency which when converted at the exchange rate prevailing on the date of receipt by Collateral Agent is the amount then due under this Agreement or any of the Finance Documents in the Currency Due. If the amount of the Currency Due which Collateral Agent is able to purchase is less than the amount of the Currency Due originally due to it, each Grantor shall indemnify and save Collateral Agent harmless from and against loss or damage arising as a result of such deficiency. The indemnity contained herein shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the Finance Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by Collateral Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any of the Finance Documents or under any judgment or order.

(Remainder of Page Intentionally Left Blank; Signature Pages Follow)

IN WITNESS WHEREOF, each Grantor has executed and delivered this Agreement as of the date first above written.

GOLD RESERVE INC.,
an Alberta corporation

By /s/ A. Douglas Belanger
Name: A. Douglas Belanger
Title: President
Address: 926 W. Sprague Ave. Suite 200, Spokane WA 99201 Attn: Robert McGuinness

Acknowledged and Agreed:

U.S. BANK NATIONAL ASSOCIATION, as Collateral Agent

By /s/ Beverly A. Freeney_____
Name: Beverly A. Freeney
Title: Vice President
Address: 100 Wall Street, Suite 1600
New York, New York 10005

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By /s/ Beverly A. Freeney_____
Name: Beverly A. Freeney
Title: Vice President

NR 15-14

GOLD RESERVE COMPLETES ISSUANCE OF US $12.3 MILLION OF NEW CONVERTIBLE NOTES AND MODIFIES TERMS OF EXISTING US $44 MILLION OF CONVERTIBLE NOTES AND RELATED INTEREST NOTES

SPOKANE, WASHINGTON, December 1, 2015

Gold Reserve Inc. (TSX.V:GRZ) (OTCQB:GDRZF) ("Gold Reserve" or the "Company") announces the closing of the previously announced financing of approximately US $12.3 million of new convertible secured notes ("New Notes") due December 31, 2018 and modification, amendment and extension of the maturity date of its approximately US $44 million outstanding principal and related interest notes from December 31, 2015 to December 31, 2018 ("Modified Notes").

The Company issued the US $12.3 million New Notes with an original issue discount of 2.5% of the principal amount and also issued New Notes representing 2.5% of the outstanding principal and accrued and unpaid interest amount of the Modified Notes being extended as a restructuring fee to the holders of the original notes. As a result of the issuance of the New Notes, the Company will receive approximately $12 million in gross proceeds and have outstanding approximately $58.1 million of notes in the aggregate as of December 1.

The notes subject to this transaction, including the new interest notes described herein, will bear interest at a rate of 11% per year, which interest will be paid in kind quarterly in the form of additional notes and will accrue and be payable in cash at maturity. The notes, with the exception of the new interest notes, will be convertible, at the option of the holder, into 333.33 Class A common shares per US $1,000 (equivalent to a conversion price of US $3.00 per common share) at any time upon prior written notice to the Company.

The notes will be senior obligations of the Company, secured by substantially all of the assets of the Company and subject to certain other terms including restrictions regarding the pledging of assets and incurrence of certain capital expenditures or additional indebtedness without consent of noteholders. The noteholders will also have participation rights in future equity or debt financing. Further information on the notes will be available in the regulatory filings of the Company by going to the website at www.goldreserveinc.com .

Doug Belanger, President stated, "The closing of the new financing and the extension and amendment of the notes due 2018 puts us in a strong position to complete the arbitration process through to its full conclusion, as well as conduct the other business of the Company."

Further information regarding the Company can be located at www.goldreserveinc.com, www.sec.gov and www.sedar.com.

Gold Reserve Inc. Contact
A. Douglas Belanger, President
926 W. Sprague Ave., Suite 200
Spokane, WA 99201 USA
Tel. (509) 623-1500
Fax (509) 623-1634

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of applicable U.S. federal securities laws and state Gold Reserve's and its management's intentions, hopes, beliefs, expectations or predictions for the future including without limitation statements with respect to the issuance of the New Notes, the modification of the old Notes, and the company's ongoing arbitration proceedings. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause the actual outcomes, financial results, performance, or achievements of Gold Reserve to be materially different from our estimated outcomes, future results, performance, or achievements expressed or implied by those forward-looking statements.

This list is not exhaustive of the factors that may affect any of Gold Reserve's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to Gold Reserve or persons acting on its behalf are expressly qualified in their entirety by this notice. Gold Reserve disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to its disclosure obligations under applicable rules promulgated by the SEC.

In addition to being subject to a number of assumptions, forward-looking statements in this release involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to be materially different from those expressed or implied by such forward-looking statements, including those factors outlined in the "Cautionary Statement Regarding Forward-Looking Statements" and "Risks Factors" contained in Gold Reserve's filings with the Canadian provincial securities regulatory authorities and the SEC, including Gold Reserve's Annual Information Form and Annual Report on Form 40-F for the year ended December 31, 2014, filed with the Canadian provincial securities regulatory authorities and the SEC, respectively.

"Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release."