

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

FORM 40-F

- ☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934
OR
☒ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: **December 31, 2020**

Commission File Number: **001-31819**

GOLD RESERVE INC.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Alberta, Canada	1040	N/A
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

999 West Riverside Avenue, Suite 401, Spokane, Washington 99201 - (509) 623-1500
(Address and telephone number of Registrant's principal executive offices)

Rockne J. Timm,
999 West Riverside Avenue, Suite 401, Spokane, Washington, 99201 - (509) 623-1500
(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
None		

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Class A common shares, no par value per share
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: Class A common shares, no par value per share: 99,395,048

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act. ☐ Emerging Growth Company.

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

EXPLANATORY NOTE

Gold Reserve Inc. ("Gold Reserve," the "Company," "we," "us" or "our") is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), on Form 40-F. We are a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and in Rule 405 under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Our equity securities are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

CAUTIONARY NOTE REGARDING DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

We are permitted, under a multi-jurisdictional disclosure system adopted by the United States and Canada, to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

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

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

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

- risks associated with the substantial concentration of our activities and assets in Venezuela which are and will continue to be subject to risks specific to Venezuela, including the effects of political, economic and social developments, social instability and unrest; international response to Venezuelan domestic and international policies; Sanctions (as defined below) by the U.S. or Canadian governments or other jurisdictions and potential invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights either by the existing or a future administration or power, de jure or de facto;
- risks associated with sanctions imposed by the U.S. and Canadian governments targeting the Bolivarian Republic of Venezuela ("Venezuela") (the "Sanctions"):
 - Sanctions imposed by the U.S. government generally block all property of the government of Venezuela and prohibit the Company and its directors, management and employees (who are considered U.S. Persons as defined by U.S. Sanction statutes) from dealing with the Venezuelan government and/or state-owned/controlled entities, entering into certain transactions or dealing with Specially Designated Nationals ("SDNs") and target corruption in, among other identified sectors, the gold sector of the Venezuelan economy,
 - Sanctions imposed by the Canadian government include asset freezes and prohibitions on dealings, by Canadian entities and/or citizens as well as other individuals in Canada, with certain named Venezuelan officials under the Special Economic Measures (Venezuela) Regulations of the *Special Economic Measures Act* and the Justice for Victims of Corrupt Foreign Officials Regulations of the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*,
 - Sanctions have adversely impacted our ability to collect the remaining funds owed by Venezuela and our ability to finance, develop and operate the Siembra Minera Project, which is expected to continue for an indeterminate period of time;
- risks that U.S. and Canadian government agencies that enforce Sanctions may not issue licenses that the Company may request in the future to engage in certain Venezuela-related transactions;
- risks associated with the continued failure by Venezuela to honor its remaining commitments under the Settlement Agreement (as defined below). As of the date of this report, Venezuela still owes the Company an estimated \$900 million (including interest of approximately \$122 million) related to the original settlement obligation of approximately \$1.032 billion, which was payable in a series of monthly payments ending on or before June 15, 2019 (the "Settlement Agreement");
- risks associated with our ability to resume our efforts to enforce and collect the September 2014 arbitral award granted pursuant to the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes (the "Award"), including the associated costs of enforcement and collection efforts and the timing and success of that effort, if Venezuela ultimately fails to honor its commitments pursuant to the Settlement Agreement, it is terminated and further efforts related to executing the Settlement Agreement are abandoned;
- risks associated with the announced phase out of the LIBOR in December 2021 and our ability, if and when it's possible to engage with the Venezuelan government, to either agree with Venezuela on a new interest benchmark or, alternatively, petition the court responsible for the enforcement of our Award judgement to rule on a new benchmark;
- risks associated with Venezuela's failure to honor its remaining commitments associated with the formation and operation of Siembra Minera (a company formed to develop the Siembra Minera Project (as defined below) which is comprised of certain gold, copper, silver and other strategic mineral rights located in Bolivar State, Venezuela);

- risks associated with the ability of the Company and Venezuela to (i) successfully overcome legal or regulatory obstacles to operate Siembra Minera for the purpose of developing the Siembra Minera Project, (ii) complete any additional definitive documentation and finalize remaining governmental approvals and (iii) obtain financing to fund the capital costs of the Siembra Minera Project;
- risks associated with filing a claim, if warranted, for damages against Venezuela in the event they breach the terms of the underlying agreements governing the formation of Siembra Minera and the future development of the Siembra Minera Project. The cost of prosecuting such a claim over a number of years could be substantial, and there is no assurance that we would be successful in our claim or, if successful, could collect any compensation from the Venezuelan government. If we are unable to prevail, in the event we filed a claim against the Venezuelan government related to our stake in the Siembra Minera Project or were unable to collect compensation in respect of our claim, the Company would be adversely affected;
- risks associated with the existence of "dual" governments in Venezuela as a result of certain non-Venezuelan countries (including the United States and Canada) recognizing a presidency and government led by Juan Guaidó, instead of Nicolás Maduro, including associated challenges as to governing and decision-making authority related thereto, and the U.S. government's previous indictment of Venezuelan President Nicolás Maduro and a number of key associates for human rights abuses and drug trafficking;
- risks that any future Venezuelan administration or power, de jure or de facto, will fail to respect the agreements entered into by Gold Reserve and Venezuela, including past or future actions of any branch of Government challenging the formation of Siembra Minera and Presidential Decree No. 2.248 creating the National Strategic Development Zone Mining Arc of the Orinoco;
- the risk that the conclusions of management and its qualified consultants contained in the Preliminary Economic Assessment of the Siembra Minera Gold Copper Project in accordance with Canadian National Instrument 43-101– Standards of Disclosure for Mineral Projects ("NI 43-101") may not be realized in the future;
- risks associated with exploration, delineation of sufficient reserves, regulatory and permitting obstacles and other risks associated with the development of the Siembra Minera Project;
- risks associated with our ability to service outstanding obligations as they come due and access future additional funding, when required, for ongoing liquidity and capital resources, pending the receipt of payments under the Settlement Agreement or collection of the Award in the courts;
- risks associated with our prospects in general for the identification, exploration and development of mining projects and other risks normally incident to the exploration, development and operation of mining properties, including our ability to achieve revenue producing operations in the future;
- risks that estimates and/or assumptions required to be made by management in the course of preparing our financial statements are determined to be inaccurate, resulting in a negative impact on the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period;
- risks associated with shareholder dilution resulting from the future sale of additional equity, if required;
- risks associated with the value realized, if any, from the disposition of the assets related to our previous mining project in Venezuela known as the "Brisas Project";
- risks associated with the abilities of and continued participation by certain employees;
- risks associated with the impact of current or future U.S., Canadian and/or other jurisdiction's tax laws to which we are or may be subject; and
- risks associated with the impact of new diseases, epidemics and pandemics, including the effects and potential effects of the global coronavirus disease 2019 (COVID-19) pandemic.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. See "Risk Factors" in Management's Discussion and Analysis for the fiscal year ended December 31, 2020 included herein as Exhibit 99.3.

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

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

CURRENCY

Unless otherwise indicated, all references to "\$", "U.S. \$" or "U.S. dollars" in this Annual Report refer to U.S. dollars and references to "Cdn \$" or "Canadian dollars" refer to Canadian dollars. The 12-month average rate of exchange for one Canadian dollar, expressed in U.S. dollars, for each of the last two calendar years equaled 0.7455 and 0.7537, respectively, and the exchange rate at the end of each such period equaled 0.7841 and 0.7715, respectively.

PRINCIPAL CANADIAN DOCUMENTS

Annual Information Form. Our Annual Information Form for the fiscal year ended December 31, 2020, is included herein as Exhibit 99.1.

Audited Annual Financial Statements. Our audited consolidated financial statements as at December 31, 2020 and 2019, and for the fiscal years ended December 31, 2020 and 2019, including Management's Annual Report on Internal Control over Financial Reporting and the report of our independent registered public accounting firm with respect thereto, are included herein as part of Exhibit 99.2.

Management's Discussion and Analysis. Management's discussion and analysis for the fiscal year ended December 31, 2020, is included herein as Exhibit 99.3.

DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of our management, including the chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Annual Report. Based on that evaluation, management, including the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2020 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC rules and forms.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management's Annual Report on Internal Control over Financial Reporting for the fiscal year ended December 31, 2020, is included herein as part of Exhibit 99.2.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The effectiveness of our internal control over financial reporting as of December 31, 2020, has been audited by PricewaterhouseCoopers LLP ("PwC"), independent registered public accounting firm, as stated in their report included herein as part of Exhibit 99.2.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the fiscal year ended December 31, 2020, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13(a)-15(f) and 15(d)-15(f) under the Exchange Act).

AUDIT COMMITTEE

The Board has a separately-designated standing Audit Committee for the purpose of overseeing our accounting and financial reporting processes and audits of our annual financial statements. As at the date of the Annual Report, the following individuals comprise the entire membership of our Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act:

James Michael Johnston (Chair)

James P. Geyer

Yves M. Gagnon

Mr. Johnston co-founded Steelhead Partners LLC in late 1996 to form and manage the Steelhead Navigator Fund. Prior thereto, as senior vice president and senior portfolio manager at Loews Corporation, Mr. Johnston co-managed over \$5 billion in corporate bonds and also managed an equity portfolio. He began his investment career at Prudential Insurance as a high yield and investment-grade credit analyst. Mr. Johnston was promoted to co-portfolio manager of an \$11 billion fixed income portfolio in 1991. He graduated with honors from Texas Christian University with a degree in finance and completed his MBA at the Johnson Graduate School of Business at Cornell University. Mr. Johnston has been a member of the Audit Committee since August 2017 and Chairman of the Audit Committee since September 2020.

Mr. Geyer has a Bachelor of Science in Mining Engineering from the Colorado School of Mines, has over 40 years of experience in underground and open pit mining and has held engineering and operations positions with a number of companies including AMAX and ASARCO. Previously, Mr. Geyer was the Senior Vice President of the Company responsible for the development of the Brisas Project and also led the analysis of the Brisas Cristinas Project (now known as the Siembra Minera Project) on behalf of the Company. Mr. Geyer is a former Director of Thompson Creek Metals Inc. where he was previously a member of the audit committee. Mr. Geyer has been a member of the Audit Committee since March 2015.

Mr. Gagnon joined Global Affairs Canada in 1971. He retired from the public service in 2016 after 45 years of service. He has held positions of increasing importance including Canada's Ambassador to six countries, including Venezuela and Cuba, with a special emphasis on Latin America. He has also been a Senior Policy Advisor to Canada's Minister of State of Foreign Affairs and International Trade for the Americas. Mr. Gagnon has a BA in Arts (1968) and a B.Sc. in Political Science (1971) from Laval University and is a graduate of the National School of Administration (ENA) France (1977). Mr. Gagnon has been a member of the Audit Committee since September 2020.

Our Audit Committee's Charter can be found on our website at www.goldreserveinc.com in the Investor Relations section under "Governance."

Independence. The Board has made the affirmative determination that all members of the Audit Committee are "independent" pursuant to the criteria outlined by the Canadian National Instrument 52-110 – Audit Committees, Rule 10A-3 of the Exchange Act and the policies of the TSX Venture Exchange.

Audit Committee Financial Expert. Each member of the Audit Committee is considered to be financially literate. The Board has determined that Mr. Johnston is an "audit committee financial expert" as such term is defined under Item 8(b) of General Instruction B to Form 40-F. The SEC has indicated that the designation of Mr. Johnston as an audit committee financial expert does not make Mr. Johnston an "expert" for any purpose, impose any duties, obligations or liabilities on Mr. Johnston that are greater than those imposed on other members of the Audit Committee and Board who do not carry this designation or affect the duties, obligations or liability of any other member of the Audit Committee and Board.

CODE OF ETHICS

We adopted a Code of Conduct and Ethics (the "Code") that is applicable to all our directors, officers and employees. The Code contains general guidelines for conducting our business. The Code was originally approved by the Board in March 2006. No waivers to the provisions of the Code have been granted since its inception. We intend to disclose future amendments to, or waivers from, certain provisions of the Code on our website within five business days following the date of such amendment or waiver. A copy of the Code can be found on our website at www.goldreserveinc.com in the Investor Relations section under "Governance." We believe that the Code constitutes a "code of ethics" as such term is defined by Item 9(b) of General Instruction B to Form 40-F.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees. The aggregate fees billed for each of the last two fiscal years for professional services rendered by our independent registered public accounting firm, PwC, for the integrated audit of our annual financial statements, reviews of our quarterly financial statements and services provided in respect of other regulatory-required auditor attest functions associated with government audit reports, registration statements, prospectuses, periodic reports and other documents filed with securities regulatory authorities or other documents issued in connection with securities offerings for 2020 and 2019 were \$196,573 and \$212,515, respectively.

Tax Fees. The aggregate fees billed in each of the last two fiscal years for professional services rendered by PwC for tax compliance, consulting and return preparation services for 2020 and 2019 were \$7,658 and \$32,090, respectively.

All Other Fees. The aggregate fees billed in each of the last two fiscal years for all other professional services rendered by PwC for 2020 and 2019 were nil.

AUDIT COMMITTEE SERVICES PRE-APPROVAL POLICY

The Audit Committee is responsible for the oversight of our independent registered public accounting firm's work and pre-approves all services provided by PwC. Audit Services and Audit-Related Services rendered in connection with the annual financial statements and quarterly reports are presented to and approved by the Audit Committee typically at the beginning of each year. Audit-Related Services other than those rendered in connection with the quarterly reports and Tax services provided by PwC are typically approved individually during the Committee's periodic meetings or on an as-needed basis. The Audit Committee's Chair is authorized to approve such services in advance on behalf of the Committee with such approval reported to the full Audit Committee at its next meeting. The Audit Committee sets forth its pre-approval and/or confirmation of services authorized by the Audit Committee Chair in the minutes of its meetings.

OFF-BALANCE SHEET ARRANGEMENTS

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

CONTRACTUAL OBLIGATIONS

Our contractual obligation payments as of December 31, 2020 consist of amounts due pursuant to the Bonus Plan and CVR agreements of approximately \$0.1 million. As more fully described in Note 3 to the December 31, 2020 consolidated financial statements, under the terms of both the Bonus Plan and the CVR Agreements, the Company is obligated to make payments based on the collection of proceeds from Venezuela, namely from the Award and/or Settlement Agreement, or from an Enterprise Sale. Proceeds are generally net of taxes where applicable and, in the case of the CVR Agreements, other certain specified obligations (as defined in the relevant agreements).

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

We undertake to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

We previously filed an Appointment of Agent for Service of Process and Undertaking on Form F-X signed by us and our agent for service of process, Gold Reserve Corporation, on May 7, 2007 with respect to the class of securities in relation to which the obligation to file this Annual Report on Form 40-F arises.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereto duly authorized.

GOLD RESERVE INC.

By: /s/ Robert A. McGuinness

Robert A. McGuinness, its Vice President of Finance,
Chief Financial Officer and its Principal Financial and Accounting Officer
April 8, 2021

EXHIBIT INDEX

Exhibit Number	Exhibit
99.1	Annual Information Form for the fiscal year ended December 31, 2020
99.2	Audited Consolidated Financial Statements as at December 31, 2020 and 2019 and for the fiscal years ended December 31, 2020 and 2019
99.3	Management's Discussion and Analysis for the fiscal year ended December 31, 2020
99.4	Certification of Gold Reserve Inc. Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certification of Gold Reserve Inc. Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certification of Gold Reserve Inc. Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification of Gold Reserve Inc. Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm

Exhibit 99.1 – Annual Information Form

GOLD RESERVE INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2020

As filed on April 8, 2021

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The Company

In this Annual Information Form, the terms "Gold Reserve", the "Company" "we," "us," or "our," refer to Gold Reserve Inc. and its consolidated subsidiaries and affiliates, unless the context requires otherwise. When appropriate, capitalized terms are defined herein.

Gold Reserve, an exploration stage company, is engaged in the business of acquiring, exploring and developing mining projects. We were incorporated in 1998 under the laws of the Yukon Territory, Canada and continued to Alberta, Canada in September 2014. We are the successor issuer to Gold Reserve Corporation, which was incorporated in 1956. We have only one operating segment, the exploration and development of mineral properties. We employed eight individuals as of December 31, 2020. Our Class A common shares (the "Class A Shares") are listed for trading on the TSX Venture Exchange (the "TSXV") and quoted on the OTCQX under the symbol GRZ and GDRZF, respectively.

We have no commercial production at this time. Historically we have financed our operations through the issuance of common stock, other equity securities and debt and more recently in 2018, from payments made by the Bolivarian Republic of Venezuela ("Venezuela") pursuant to the Settlement Agreement (as defined herein). Funds necessary for ongoing corporate activities, including the development of the Siembra Minera Project (as defined herein), which is subject to Sanctions (as defined herein), or other future investments and/or transactions if any, cannot be determined at this time and are subject to available cash, any future payments under the Settlement Agreement and/or collection of the unpaid Award (as defined herein) in the courts or future financings.

Our registered office is located at the office of Norton Rose Fulbright Canada LLP, 400 3rd Avenue SW, Suite 3700, Calgary, Alberta T2P 4H2, Canada. Telephone and fax numbers for our registered agent are 403.267.8222 and 403.264.5973, respectively. Our administrative office is located at 999 West Riverside Avenue, Suite 401, Spokane, WA 99201, U.S.A. and our telephone and fax numbers are 509.623.1500 and 509.623.1634, respectively. The Company's website address is www.goldreserveinc.com.

We conduct our business primarily through our wholly-owned subsidiaries. The following table lists the names of our significant subsidiaries, our ownership in each subsidiary and each subsidiary's jurisdiction of incorporation or organization.

Subsidiary	Ownership	Domicile
Gold Reserve Corporation	100%	Montana, USA
GR Mining (Barbados) Inc.	100%	Barbados
GR Procurement (Barbados) Inc.	100%	Barbados
GR Mining Group (Barbados) Inc.	100%	Barbados

In October 2016, together with an affiliate of the government of Venezuela, we established Siembra Minera (as defined herein), a company formed to develop the Siembra Minera Project (as defined herein). Siembra Minera is owned 45% by the Company and 55% by a Venezuelan state-owned entity. Our investment in Siembra Minera, which is held by GR Mining (Barbados) Inc., is accounted for as an equity investment.

We maintain our accounts in U.S. dollars and prepare our financial statements in accordance with accounting principles generally accepted in the United States. Our audited consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019 are available for review at www.sedar.com and www.sec.gov. All information in this Annual Information Form is as of April 8, 2021, unless otherwise noted. However, we undertake no duty to update or revise any of this information, whether as a result of future events, or otherwise, except to the extent required by law.

Unless otherwise indicated, all references to "\$", "U.S. \$" or "U.S. dollars" in this Annual Information Form refer to U.S. dollars and references to "Cdn\$" or "Canadian dollars" refer to Canadian dollars. The 12-month average rate of exchange for one Canadian dollar, expressed in U.S. dollars, for each of the last two calendar years equaled 0.7455 and 0.7537, respectively, and the exchange rate at the end of each such period equaled 0.7841 and 0.7715, respectively.

General Development of the Business

Venezuela's Political, Economic and Social Conditions

Venezuela continues to experience substantial social, political and economic turmoil. The country's overall infrastructure, social services network and economy have generally collapsed. Further, certain non-Venezuelan countries (including the United States and Canada) currently recognize a presidency and government led by Juan Guaidó, instead of Nicolás Maduro, resulting in a "dual" government. In addition, in March 2020, the U.S. government indicted Venezuelan President Nicolás Maduro and a number of key associates for human rights abuses and drug trafficking.

The existing conditions in Venezuela, along with the Sanctions (as defined herein), are expected to continue in the foreseeable future, adversely impacting our ability to collect the remaining amount owed to us by Venezuela pursuant to the Settlement Agreement and/or Award and hinder our ability to develop certain gold, copper, silver and other strategic mineral rights contained within Bolívar State comprising what is known as the Siembra Minera project (the "Siembra Minera Project").

U.S. and Canadian Sanctions

The U.S. and Canadian governments have imposed various sanctions which, in aggregate, essentially prevent any dealings with Venezuelan government entities and prohibit the Company and its directors, management and employees from dealing with certain Venezuelan individuals or entering into certain transactions (the "Sanctions"). The cumulative impact of the Sanctions continues to restrict the Company from working with those Venezuelan government officials responsible for the payment and transfer of funds associated with the Settlement Agreement and those responsible for the operation of Siembra Minera and the development of the Siembra Minera Project (See "Description of the Business– U.S. and Canadian Sanctions").

On June 4, 2020, our Board of Directors (the "Board") created a special committee of its members (the "Special Committee"), for the purposes of making all decisions and taking all actions for and on behalf of the Board and the Company, and so binding the Company with respect to all matters related to or arising from the business of the Company, that are not permitted to be done by "U.S. Persons" (as defined in 31 C.F.R. § 591.312) pursuant primarily to Executive Orders 13884 and 13850 ("U.S. Sanctions"). The Special Committee is currently comprised of three individuals: two of whom are directors, Mr. Coleman and Mr. Gagnon, along with a former director, Mr. J.C. Potvin, who serves as an advisor to the Special Committee. None of these three members of the Special Committee are considered U.S. Persons.

Settlement of Arbitration Award

In July 2016, we signed a settlement agreement whereby Venezuela agreed to pay us the Award (as defined herein) including interest, and purchase our Mining Data (both as defined herein) (the "Settlement Agreement"). Under the terms of the Settlement Agreement (as amended) Venezuela agreed to pay the Company approximately \$1.032 billion in a series of monthly payments ending on or before June 15, 2019. (See "Description of the Business – Arbitral Award, Settlement Agreement and Mining Data Sale"). On a cumulative basis, the Company has received payments of approximately \$254 million pursuant to the Settlement Agreement. The remaining unpaid amount due from Venezuela, which is delinquent, totals approximately \$900 million (including interest of approximately \$122 million) as of December 31, 2020 (See "Description of the Business– U.S. and Canadian Sanctions"). Venezuela has not made the required payments pursuant to the terms of the Settlement Agreement and has not fulfilled remaining commitments associated with the formation of Siembra Minera and as a result is in breach of those agreements. Due to the complexity of Venezuela's political, economic and social situation and the obstacles presented by Sanctions we have concluded that, at this time, the best course of action is to continue to try to resolve the outstanding issues through continued dialog as allowed by Sanctions and the current conditions in Venezuela. (See "General Development of the Business– Empresa Mixta Ecosocialista Siembra Minera, S.A.").

Empresa Mixta Ecosocialista Siembra Minera, S.A.

In October 2016, Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera") was established, which is beneficially owned 55% by a Venezuelan government-controlled corporation, and 45% by Gold Reserve (See "Properties—Siembra Minera Project"). Siembra Minera holds certain gold, copper, silver and other strategic mineral rights contained within Bolivar State comprising the Siembra Minera Project and is, among other things, authorized to carry on its business via existing or pending Presidential Decrees and Ministerial Resolutions. In March 2018, the Company announced the completion of a preliminary economic assessment (the "PEA") for the Siembra Minera Project in accordance with Canadian National Instrument 43-101—*Standards of Disclosure for Mineral Projects* ("NI 43-101"), which included, among other information, resource estimates, pit design, mine plan, flowsheet design, design criteria, project layout, infrastructure requirements, capital and operating estimates (See "Properties—Siembra Minera Project—Preliminary Economic Assessment").

Siembra Minera has no operations at this time. As a result, the Company has directly incurred cumulative costs through December 31, 2020 totaling approximately \$21.0 million associated with the Siembra Minera Project (See "Properties—Siembra Minera Project", "Description of the Business—U.S. and Canadian Sanctions" and "Cautionary Statement Regarding Forward-Looking Statements and Information").

Description of the Business

Arbitral Award, Settlement Agreement and Mining Data Sale

Our primary business activities at this time are the collection of the remaining amounts owed to us by Venezuela and the advancement of the Siembra Minera Project (See "Properties—Siembra Minera Project").

In October 2009, we initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes ("ICSID") to obtain compensation for the losses caused by the actions of Venezuela that terminated our Brisas Project (as herein defined) in violation of the terms of the Treaty between the Government of Canada and the Government of Venezuela for the Promotion and Protection of Investments. In September 2014, the ICSID Tribunal granted us an Arbitral Award (the "Award") totaling \$740.3 million. The Award (less legal costs and expenses) currently accrues post-award interest at a rate of LIBOR plus 2%, compounded annually.

Under the terms of the July 2016 Settlement Agreement (as amended) Venezuela agreed to pay the Company \$792 million to satisfy the Award and \$240 million for the purchase of our technical mining data (the "Mining Data") associated with our previous mining project in Venezuela (the "Brisas Project") for a total of approximately \$1.032 billion in a series of monthly payments ending on or before June 15, 2019. As agreed, the first \$240 million received by Gold Reserve from Venezuela has been recognized as proceeds from the sale of the Mining Data.

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

As of the date of this Annual Information Form, the Company had received payments of approximately \$254 million pursuant to the Settlement Agreement. The remaining unpaid amount due from Venezuela pursuant to the Settlement Agreement, which is delinquent, totals approximately \$900 million (including interest of approximately \$122 million) as of December 31, 2020.

The interest rate provided for on any unpaid amounts pursuant to the Award is specified as LIBOR plus two percent. In 2017, U.K.'s Financial Conduct Authority announced that LIBOR will be phased out of existence as a dependable index for variable interest rates no later than December 31, 2021. Working groups assembled by the U.S. Federal Reserve have identified the Secured Overnight Funding Rate ("SOFR") as the preferred replacement for LIBOR. SOFR reflects the cost of borrowing in dollars in the daily overnight treasury repo market. If and when it is possible to engage with the Venezuelan government, we expect that we will either come to an agreement with Venezuela as to an appropriate replacement or, alternatively, petition the court responsible for the enforcement of our Award judgement to rule on a new interest rate benchmark. There is no assurance that we will be successful.

The terms of the Settlement Agreement also included Venezuela's obligation to make available to an escrow agent negotiable financial instruments, with a face value of at least \$350 million, partially guaranteeing the payment obligations to the Company as well as the obligation to advance approximately \$110 million to Siembra Minera to facilitate the early startup of the pre-operation and construction activities. As of the date of this Annual Information Form, Venezuela has not yet taken steps to provide such collateral or the early funding and it is unclear if and when Venezuela will comply with these particular obligations contained in the Settlement Agreement (See "Description of the Business— U.S. and Canadian Sanctions" and "Cautionary Statement Regarding Forward-Looking Statements and Information").

U.S. and Canadian Sanctions

The Sanctions, in aggregate, essentially prevent any dealings with Venezuelan government entities and prohibit the Company and its directors, management and employees from dealing with certain Venezuelan individuals or entering into certain transactions.

The Sanctions implemented by the U.S. government generally block all property of the Venezuelan government and state-owned/controlled entities such as Siembra Minera. In addition, U.S. Sanctions prohibit U.S. persons (as defined by U.S. Sanctions statutes) from dealing with Specially Designated Nationals ("SDNs") and targets corruption in, among other identified sectors, the gold sector of the Venezuelan economy.

The Sanctions implemented by the Canadian government generally include asset freezes and impose prohibitions on dealings, by Canadian entities and/or individuals as well as other individuals located in Canada, with certain named Venezuelan officials under the Special Economic Measures (Venezuela) Regulations of the Special Economic Measures Act and the Justice for Victims of Corrupt Foreign Officials Regulations of the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law).

On June 4, 2020, the Board created the Special Committee, for the purposes of making all decisions and taking all actions for and on behalf of the Board and the Company, and so binding the Company with respect to all matters related to or arising from the business of the Company, that are not permitted to be done by "U.S. Persons" (as defined in 31 C.F.R. § 591.312) pursuant primarily to U.S. Sanctions. This is part of the Company's efforts to ensure compliance with applicable laws, including, without limitation, U.S. Sanctions, the *Special Economic Measures (Venezuela) Regulations enacted pursuant to the Special Economic Measures Act and the Justice for Victims of Corrupt Foreign Officials Regulations of the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*. The Special Committee will also ensure that the Company's actions that it directs are in compliance with applicable laws. The Special Committee is currently comprised of three individuals: two of whom are directors, Mr. Coleman and Mr. Gagnon, along with a former director, Mr. J.C. Potvin who serves as an advisor to the Special Committee. None of these three members of the Special Committee are considered U.S. Persons.

The cumulative impact of the Sanctions restricts the Company from working with those Venezuelan government officials responsible for the payment and transfer of funds associated with the Settlement Agreement and those responsible for the operation of Siembra Minera and the development of the Siembra Minera Project which adversely impacts our ability to collect the remaining amount due pursuant to the Settlement Agreement and/or the Award from Venezuela and, until Sanctions are lifted, obstructs our ability to develop the Siembra Minera Project as originally planned.

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

Pursuant to a 2012 restructuring of convertible notes, we issued Contingent Value Rights ("CVRs") that entitle the holders to an aggregate of 5.466% of certain proceeds from Venezuela associated with the collection of the Award and/or sale of Mining Data or an enterprise sale (the "Proceeds"), less amounts sufficient to pay or reserve for applicable taxes payable, certain associated professional fees and expenses not to exceed \$10 million, any accrued operating expenses as of the date of the receipt of the Proceeds not to exceed \$1 million and the balance of any remaining Notes (as defined in the Agreement) and accrued interest thereon (the "Net Proceeds"). We have been advised by a CVR holder that it believes that the Company's 45% interest in Siembra Minera represents "Proceeds" for purposes of the CVRs and as such it believes the CVR holders are entitled to the value of 5.466% of that interest on the date of its acquisition. For a variety of reasons, the Company does not agree with that position and believes it is inconsistent with the CVRs and the terms and manner upon which we reached settlement as to the Award with the Venezuelan government. This matter has not been resolved as of the date of this Annual Information Form and it is not possible at this time to determine its outcome. As of December 31, 2020, the total cumulative estimated obligation due pursuant to the terms of the CVR from the sale of the Mining Data and collection of the Award was approximately \$10.0 million, of which approximately \$60 thousand remains payable to CVR holders.

The Board approved a bonus plan (the "Bonus Plan") in May 2012, which was intended to compensate the participants, including executive officers, employees, directors and consultants for their contributions related to: the development of the Brisas Project; the manner in which the development effort was carried out allowing the Company to present a strong defense of its arbitration claim; the support of the Company's execution of the Brisas Arbitration; and the ongoing efforts to assist with positioning the Company in the collection of the Award, sale of the Mining Data or enterprise sale. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized less applicable taxes multiplied by 1.28% of the first \$200 million and 6.4% thereafter. The Bonus Plan is administered by a committee of independent directors who selected the individual participants in the Bonus Plan and fixed the relative percentage of the total pool to be distributed to each participant. Participation in the Bonus Plan by existing participants is fixed, subject to voluntary termination of employment or termination for cause. Participants who reach age 65 and retire are fully vested and continue to participate in future distributions under the Bonus Plan. As of December 31, 2020, the total cumulative estimated obligation pursuant to the terms of the Bonus Plan from the sale of the Mining Data and collection of the Award was approximately \$4.4 million, of which approximately \$70 thousand remains payable to Bonus Plan participants.

In March 2020, the U.S. Congress passed legislation which allows companies to carryback net operating losses incurred in 2018, 2019 and 2020 to offset income earned in prior years. In response to this legislation, management reduced its estimate of the U.S. related income tax due on amounts received in 2018 from the sale of Mining Data. The effect of this change in estimate was to increase the net proceeds subject to the CVR and the Bonus Plan, and as a result, the Company recorded an increase in its obligation to the CVR holders and Bonus Plan participants by approximately \$60 thousand and \$70 thousand, respectively.

Distribution of Funds to Shareholders and Intention to Distribute Funds Received in Connection with the Award in the Future

In June 2019, the Company completed a distribution of approximately \$76 million or \$0.76 per share to holders of Class A Shares as a return of capital (the "Return of Capital"). The Return of Capital was completed pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "ABCA") which required approval by the Alberta Court of Queen's Bench (the "Court") and at least two-thirds of the votes cast by shareholders of the Company ("Shareholders") in respect of a special resolution. Full details of the Return of Capital are described in the Company's management proxy circular dated April 30, 2019 and other related materials filed with applicable Canadian securities regulatory authorities and made available at www.sedar.com or www.sec.gov, and posted on the Company's website at www.goldreserveinc.com.

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

Cautionary Statement Regarding Forward-Looking Statements and Information

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

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

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

- risks associated with the substantial concentration of our activities and assets in Venezuela which are and will continue to be subject to risks specific to Venezuela, including the effects of political, economic and social developments, social instability and unrest; international response to Venezuelan domestic and international policies; Sanctions by the U.S. or Canadian governments or other jurisdictions and potential invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights either by the existing or a future administration or power, de jure or de facto;
- risks associated with the Sanctions:
 - Sanctions imposed by the U.S. government generally block all property of the government of Venezuela and prohibit the Company and its directors, management and employees (who are considered U.S. Persons as defined by U.S. Sanction statutes) from dealing with the Venezuelan government and/or state-owned/controlled entities, entering into certain transactions or dealing with SDNs and target corruption in, among other identified sectors, the gold sector of the Venezuelan economy,
 - Sanctions imposed by the Canadian government include asset freezes and prohibitions on dealings, by Canadian entities and/or citizens as well as other individuals in Canada, with certain named Venezuelan officials under the Special Economic Measures (Venezuela) Regulations of the *Special Economic Measures Act* and the *Justice for Victims of Corrupt Foreign Officials Regulations of the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*,
 - Sanctions have adversely impacted our ability to collect the remaining funds owed by Venezuela and our ability to finance, develop and operate the Siembra Minera Project, which is expected to continue for an indeterminate period of time;
- risks that U.S. and Canadian government agencies that enforce Sanctions may not issue licenses that the Company may request in the future to engage in certain Venezuela-related transactions;
- risks associated with the continued failure by Venezuela to honor its remaining commitments under the Settlement Agreement. As of the date of this report, Venezuela still owes the Company an estimated \$900 million (including interest of approximately \$122 million) related to the original settlement obligation of approximately \$1.032 billion, which was payable in a series of monthly payments ending on or before June 15, 2019;
- risks associated with our ability to resume our efforts to enforce and collect the Award" including the associated costs of enforcement and collection efforts and the timing and success of that effort, if Venezuela ultimately fails to honor its commitments pursuant to the Settlement Agreement, it is terminated and further efforts related to executing the Settlement Agreement are abandoned;
- risks associated with the announced phase out of the LIBOR in December 2021 and our ability, if and when it is possible to engage with the Venezuelan government, to either agree with Venezuela on a new interest benchmark or, alternatively, petition the court responsible for the enforcement of our Award judgement to rule on a new benchmark;
- risks associated with Venezuela's failure to honor its remaining commitments associated with the formation and operation of Siembra Minera (a company formed to develop the Siembra Minera Project which is comprised of certain gold, copper, silver and other strategic mineral rights located in Bolivar State, Venezuela);
- risks associated with the ability of the Company and Venezuela to (i) successfully overcome legal or regulatory obstacles to operate Siembra Minera for the purpose of developing the Siembra Minera Project, (ii) complete any additional definitive documentation and finalize remaining governmental approvals and (iii) obtain financing to fund the capital costs of the Siembra Minera Project;
- risks associated with filing a claim, if warranted, for damages against Venezuela in the event they breach the terms of the underlying agreements governing the formation of Siembra Minera and the future development of the Siembra Minera Project. The cost of prosecuting such a claim over a number of years could be substantial, and there is no assurance that we would be successful in our claim or, if successful, could collect any compensation from the Venezuelan government. If we are unable to prevail, in the event we filed a claim against the Venezuelan government related to our stake in the Siembra Minera Project or were unable to collect compensation in respect of our claim, the Company would be adversely affected;

- risks associated with the existence of "dual" governments in Venezuela as a result of certain non-Venezuelan countries (including the United States and Canada) recognizing a presidency and government led by Juan Guaidó, instead of Nicolás Maduro, including associated challenges as to governing and decision-making authority related thereto, and the U.S. government's previous indictment of Venezuelan President Nicolás Maduro and a number of key associates for human rights abuses and drug trafficking;
- risks that any future Venezuelan administration or power, de jure or de facto, will fail to respect the agreements entered into by Gold Reserve and Venezuela, including past or future actions of any branch of Government challenging the formation of Siembra Minera and Presidential Decree No. 2.248 creating the National Strategic Development Zone Mining Arc of the Orinoco;
- the risk that the conclusions of management and its qualified consultants contained in the Preliminary Economic Assessment of the Siembra Minera Project in accordance with NI 43-101 may not be realized in the future;
- risks associated with exploration, delineation of sufficient reserves, regulatory and permitting obstacles and other risks associated with the development of the Siembra Minera Project;
- risks associated with our ability to service outstanding obligations as they come due and access future additional funding, when required, for ongoing liquidity and capital resources, pending the receipt of payments under the Settlement Agreement or collection of the Award in the courts;
- risks associated with our prospects in general for the identification, exploration and development of mining projects and other risks normally incident to the exploration, development and operation of mining properties, including our ability to achieve revenue producing operations in the future;
- risks that estimates and/or assumptions required to be made by management in the course of preparing our financial statements are determined to be inaccurate, resulting in a negative impact on the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period;
- risks associated with shareholder dilution resulting from the future sale of additional equity, if required;
- risks associated with the value realized, if any, from the disposition of the assets related to our previous mining project in Venezuela known as the "Brisas Project";
- risks associated with the abilities of and continued participation by certain employees;
- risks associated with the impact of current or future U.S., Canadian and/or other jurisdiction's tax laws to which we are or may be subject; and
- risks associated with the impact of new diseases, epidemics and pandemics, including the effects and potential effects of the global coronavirus disease 2019 ("COVID-19") pandemic.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. See "Risk Factors" in Management's Discussion and Analysis for the fiscal year ended December 31, 2020 which has been filed on SEDAR and is available for review at www.sedar.com.

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

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

Properties

SIEMBRA MINERA PROJECT

Overview

In August 2016, we executed the Contract for the Incorporation and Administration of the Mixed Company with the government of Venezuela (the "Mixed Company Formation Document") to form a jointly owned company and in October 2016, together with an affiliate of the government of Venezuela, we established Siembra Minera, the entity whose purpose is to develop the Siembra Minera Project. Siembra Minera is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation, and 45% by Gold Reserve. Although Venezuela is not current with its obligations outlined in the Settlement Agreement, the parties retain their respective interests in Siembra Minera.

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

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

There are significant provisions related to the formation of Siembra Minera and the development and operation of the Siembra Minera Project, as provided in the Mixed Company Formation Document, some of which are still pending completion. There are a number of pending authorizations and/or still to be completed obligations on the part of the Venezuelan government that are critical to the financing and future operation of the Siembra Minera Project.

Venezuela agreed to certain Presidential Decrees, within the legal framework of the "Orinoco Mining Arc" (created on February 24, 2016 under Presidential Decree No. 2.248 as an area for national strategic development Official Gazette No. 40.855), that will or have been issued to provide for tax and fiscal incentives for companies owned jointly with the government ("Mixed Companies") operating in that area that include exemption from value added tax, stamp tax, municipal taxes and any taxes arising from the contribution of tangible or intangible assets, if any, to the Mixed Companies by the parties and the same cost of electricity, diesel and gasoline as that incurred by the government or related entities.

Siembra Minera is obligated to pay to the government a special advantage of 3% of gross sales and a net smelter return royalty ("NSR") on the sale of gold, copper, silver and any other strategic minerals of 5% for the first ten years of commercial production and 6% for the next ten years. The parties also agreed to participate in the price of gold in accordance with a formula resulting in specified respective percentages based on the sales price of gold per ounce. For sales up to \$1,600 per ounce, net profits will be allocated 55% to Venezuela and 45% to us. For sales greater than \$1,600 per ounce, the incremental amount will be allocated 70% to Venezuela and 30% to us. For example, with sales at \$1,600 and \$3,500 per ounce, net profits will be allocated 55.0% – 45.0% and 60.5% – 39.5%, respectively.

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

The Mixed Company Formation Documents provide for Siembra Minera, pursuant to Presidential Decrees or other authorizations, to be subject to an income tax rate of 14% for years one to five, 19% for years six to ten, 24% for years eleven to fifteen, 29% for years sixteen to twenty and 34% thereafter; to be authorized to export and sell concentrate and doré containing gold, copper, silver and other strategic minerals outside of Venezuela and maintain foreign currency balances associated with sales proceeds; to hold funds associated with future capital cost financings and sale of gold, copper and silver offshore in U.S. dollar accounts with dividend and profit distributions, if any, paid directly to Siembra Minera shareholders; to convert all funds into local currency at the same exchange rate offered by Venezuela to other similar entities, as required to pay Venezuela income taxes and annual operating and capital costs denominated in Bolívars for the Siembra Minera Project. As of the date of this Annual Information Form, Venezuela has not yet taken steps to formally provide such authorizations via Presidential Decree or otherwise.

On October 8, 2020, the Venezuelan National Constituent Assembly approved an “anti-blockade” law, published in Special Official Gazette N° 6.583 of October 12th, 2020 (the “Law”). The Law is reportedly part of the Maduro administration's strategy to overcome the financial, economic and commercial consequences of U.S. Sanctions. The Law, which according to its own terms ranks as a constitutional law, was passed to provide President Maduro the tools to mitigate the effects of U.S. Sanctions on Venezuela. The Law, in part, allows the Venezuelan government to implement programs to foster investments in projects or alliances in strategic sectors, including the power to sell State assets, lower or increase State interest in mixed companies and suspend legal and sublegal norms that it considers counterproductive due to sanctions. The Law provides strict provisions of confidentiality that would exclude from public scrutiny transactions that are permitted thereunder. Members of the opposition government and academic and professional associations in Venezuela have questioned the constitutionality of the Law. Additionally, they claim that the Law will lead to a lack of transparency and accountability. It is unclear if the Law will have any current or future impact on the Company's operations.

While it is difficult to predict, it is possible that if there were to be a change of government in Venezuela that gives control to the opposition, the new government may challenge the Maduro administration's 2016 formation of Siembra Minera and Presidential Decree No. 2.248 which created the National Strategic Development Zone Mining Arc of the Orinoco where the Siembra Minera Project is located. The impact of recent or future actions by an opposition controlled government could adversely affect the Company's ownership interest in Siembra Minera or its future operations in Venezuela.

Siembra Minera Project Completed Activities

The Company completed a number of social programs to improve the health care in the Siembra Minera Project area including addressing the malaria problem with medicine and preventive measures as well as the completion of an estimated \$6 million works program to build new facilities and rehabilitate existing facilities at the four largest schools, a church and recreational and sport facilities for the students and the community. The Company also established a facility to house a radio station at one school to improve local communications and generated preliminary engineering assessments for potential future upgrades to the local communities' water supply and sewage system infrastructure.

Prior to the implementation of the Sanctions, the Company's development activities included the following, much of which were completed prior to 2019: published the results of the PEA in accordance with NI 43-101; completed the preliminary design and engineering on the small scale Phase I oxide saprolite process plant and the Phase 2 larger hard rock process plant; completed the preliminary design work for a Phase 1 and Phase 2 Tailings Dam design; completed and obtained approval of a Venezuelan Environmental Impact Statement; subsequently received the environmental permit to affect the Area for the early works (the “Permit to Affect”); collected and transported a surface saprolite material sample to the U.S. for future metallurgical testing; validated, with the assistance of Empresa Nacional Forestal (a state owned company affiliated with the Ministry of Environment), the forest inventory for the Siembra Minera Project area; assisted with the preparation of budgets for Siembra Minera according to parameters set forth by the Venezuelan budgeting agency; obtained, the “Initiation Act”, pursuant to the Permit to Affect, allowing Siembra Minera to initiate the authorized preliminary/early works on the Siembra Minera Project; completed in March 2019 the Environmental Supervision Plan for the permitted (early or preliminary) works; hosted two community events for the granting of the Permit to Affect and the granting of the Initiation Act; worked with Mission Piar (Small Miner Program affiliated with the Ministry of Mines) to complete an initial survey and census of small miners located in the Siembra Minera Project area, which included cataloging identities, locations, infrastructure and health status; completed a feasibility study for a rock quarry in March 2019 as part of the opening of the quarry needed for the “early works” and during both Phases I and II of the Siembra Minera Project; and assisted small miner alliances, with the support of the Ministry of Mines, to obtain mining rights to property north of the Siembra Minera Project – with the purpose of relocating small miners from the Siembra Minera Project area.

Siembra Minera has no operations at this time. As a result, the Company has directly incurred cumulative costs through December 31, 2020 associated with the Siembra Minera Project, totaling approximately \$21.0 million. (See “Description of the Business – U.S. and Canadian Sanctions” and “Cautionary Statement Regarding Forward-Looking Statements and Information”).

Siembra Minera Project Development

We have considered initial plans for various on-site activities such as site clearing, construction of a temporary camp and warehouse facilities, drilling of dewatering and development drill holes, access roads on the property, opening of the quarry for construction aggregates and initial construction activities. We have evaluated initial proposals for a drilling program in support of the overall project development activities, water management wells, and test areas where additional resource potential is evident. Various geotechnical studies as well as environmental and social studies to augment and update previous work on the property have been considered which could support the generation of a pre-feasibility study for the small and large plant and generate Environmental & Social Impact Assessments ("ESIA") for the support of the various operating and environmental permits that will be required for the Siembra Minera Project. The next phase of the Siembra Minera Project's development is envisioned to include detail design work for the small cyanidation plant and related facilities along with the metallurgical testing to support the metallurgical process used in the plant.

The Sanctions severely obstruct our ability to develop the Siembra Minera Project and, until such time as Sanctions are lifted, we expect our activities in Venezuela will be limited. It is unclear to management if any new Venezuelan administration or power, de jure or de facto, in the future will respect the agreements of the prior administration (See "Description of the Business – U.S. and Canadian Sanctions").

PRELIMINARY ECONOMIC ASSESSMENT

Set forth below is the summary section of the March 16, 2018 technical report for the PEA of the Siembra Minera Project Report prepared in compliance with NI 43-101. The scientific and technical information contained therein, including resource estimates, pit design, mine plan, flowsheet design, design criteria, project layout, infrastructure requirements, capital and operating estimates was prepared by Roscoe Postle Associates, Inc. ("RPA"), Samuel Engineering Inc., Tierra Group International, Ltd. and AATA International, Inc. The Qualified Persons (as defined in NI 43-101) in respect of the PEA who have reviewed, verified and approved such information are Richard J. Lambert, P.E., P.Eng., José Texidor Carlsson, P.Geo., Grant A. Malensek, P.Eng., Hugo Miranda, C.P. and Kathleen A. Altman, Ph.D., P.E., each of whom is independent of the Company. The PEA was filed on SEDAR on April 6, 2018 and is available at www.sedar.com. The following information is of a summary nature only and reference is made to the detailed disclosure contained in the PEA, which is incorporated herein by reference. Note that, subsequent to the publication of the PEA discussed below, GR Engineering (Barbados) Inc. changed its name to GR Procurement (Barbados) Inc.

All information contained in the PEA is as of March 16, 2018. The information and conclusions contained in the PEA do not consider the impact of Sanctions nor consider the effects of the current Venezuelan political climate, economic conditions, deteriorated infrastructure and social instability or the impact of the world-wide pandemic on Venezuela since its completion. These issues and other negative factors could adversely affect the assumptions underlying the economic analysis contained in the PEA (See Cautionary Statement Regarding Forward-Looking Statements and Information). The full text of the PEA can be found on our website at www.goldreserveinc.com, as well as, www.sedar.com or www.sec.gov.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. The PEA only demonstrates potential viability and there is no certainty that the PEA will be realized, or that any production will be realized from the Siembra Minera Project. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The potential viability of the mineral resources at the Siembra Minera Project have not yet been supported by a pre-feasibility or a feasibility study. The terms "mineralised material" and "material" are used in this summary to denote mineralised material above an economic cut-off grade on which the proposed mining and processing activities are designed to operate. It does not imply that mineral reserves have been estimated.

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

SUMMARY OF MARCH 16, 2018 PEA ON THE SIEMBRA MINERA PROJECT

EXECUTIVE SUMMARY

Roscoe Postle Associates Inc. ("RPA") was retained by Gold Reserve, and its wholly owned subsidiary GR Engineering Barbados, Inc. ("GRE") to prepare an independent Technical Report on the Siembra Minera Project, located in Bolivar State, Venezuela. The operating company, Siembra Minera, which holds the rights to the Siembra Minera Project, is a mixed capital company with 55% being owned by a Venezuelan state entity Corporación Venezolana de Minería ("CVM"), and 45% by GR Mining Barbados, Inc. ("GRM"), a wholly-owned subsidiary of Gold Reserve. GRE has been set up to perform engineering, procurement, construction, and operation of the Siembra Minera Project.

The Project is a combination of the Brisas and Cristinas properties into a single project now called the Siembra Minera Project. The purpose of this report is to provide Gold Reserve and GRE with an initial assessment of the Siembra Minera Project including a resource estimate, conceptual mine plan, and a preliminary economic review. This Technical Report conforms to NI 43-101 Standards of Disclosure for Mineral Projects. RPA visited the Siembra Minera Project on September 19, 2017.

The Siembra Minera Project is a gold-copper deposit located in the Kilometre 88 mining district of Bolivar State in southeast Venezuela. Local owners and illegal miners have worked the property for many years. Shallow pitting and hydraulic methods were used to mine the upper saprolite zone, and coarse gold was recovered by gravity concentration and amalgamation with mercury. Most of the large-scale exploration work at Cristinas was performed by Placer Dome Inc. ("Placer"), which worked on the property from 1991 to 2001. At Brisas, Gold Reserve carried out the exploration program on the concession from 1992 to 2005. The most recent Technical Report for Cristinas is dated November 7, 2007, which is based on a feasibility study and includes historic mineral reserves. The most recent Technical Report for Brisas is dated March 31, 2008, which is also based on a feasibility study and includes historic mineral reserves.

RPA has relied on data derived from work completed by previous owners on the Cristinas concessions and by Gold Reserve on the Brisas concessions. The current resources for Cristinas were estimated by RPA based on the drill hole data supplied by Corporación Venezolana de Guayana ("CVG") to Gold Reserve in 2002. The database had 1,174 drill holes and 108 trenches which were included in the Cristinas database. Hard copies of the assay data sheets were not available, however, GEOLOG data files from Placer were provided including assay data, geological descriptions, structural data, geotechnical data, and check sample data. The current resources for Brisas were estimated by RPA based on drill hole data supplied by Gold Reserve in Geovia GEMS format which formed the basis of the last Technical Report by Pincock Allen & Holt ("PAH") in 2008.

This report is considered by RPA to meet the requirements of a "Preliminary Economic Assessment" as defined in NI 43-101. The mine plan and economic analysis contained in the PEA are based, in part, on Inferred Mineral Resources, and are preliminary in nature. Inferred Mineral Resources are considered too geologically speculative to have mining and economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which the PEA is based will be realized.

CONCLUSIONS

RPA offers the following conclusions by area.

Geology and Mineral Resources

- A number of exploration programs completed by Placer and Gold Reserve were successful in locating and defining the extents of the various mineralized zones on each of their respective property holdings. The recently established Siembra Minera Economic Zone has unified the land tenure.
- The geology of the deposit is well understood in general. RPA is of the opinion that the distribution of high grade areas in the Main Zone should be studied in more detail. In the southern two-thirds of the Cristinas concessions and the entirety of the Brisas concessions, the mineralization occurs in a large tabular body, which strikes approximately north-south and dips moderately to the west. In the northern third of the Cristinas concessions, the mineralization can occur as pipe-shaped forms and as thinner tabular forms with sub-vertical dips and strikes to the southeast.

- The large tabular, strataform mineralized zone (referred to herein as the Main Zone) forms most of the Mineral Resource. The Main Zone has a minimum thickness of 10 m at the south end and reaches a maximum thickness of 350 m. The average thickness is approximately 200 m. While the southern limits of the Main Zone have been outlined by the existing drilling pattern with a reasonable degree of confidence, the down-dip limits have not been defined by drilling. The northern limits of the Main Zone are also reasonably well defined by the existing drilling pattern.
- The drill hole information collected by Placer and Gold Reserve was merged into one master database that was then used to prepare the Mineral Resource estimate. Additional drill hole information collected by Crystallex International Corporation (Crystallex) on the Cristinas concessions could not be used to prepare the current estimate of the Mineral Resources, as the detailed information required was not available. The drill hole data from Placer contained drilling information and analytical results up to 1997 while the drill hole data from Gold Reserve included information up to 2006.
- In RPA's opinion, the drill hole data is adequate for use in the preparation of Mineral Resource estimates.
- The outline of the gold mineralization was created by drawing wireframes using approximately a 0.20 g/t Au cut-off grade and the copper mineralization was outlined using broad wireframes based on approximately a 0.04% Cu cut-off grade. A total of 24 wireframes were constructed to represent the gold mineralization zones and six wireframes to represent the copper mineralization zones. RPA also prepared wireframe surfaces to represent the three main weathering profiles for the mineralized zones: oxide saprolite, sulphide saprolite, and hard rock.
- RPA applied variable capping values for gold and copper grades for each of the mineralized wireframe domains. The capped assay values were composited into three metre lengths. The composites were then used to estimate the gold and copper grades into a grade-block model that used block sizes of 10 m by 10 m by 6 m. Gold and copper grades were estimated into blocks using inverse distance squared and dynamic anisotropy with the Surpac v.6.8 software package. The estimated gold and copper grades were used to calculate Net Smelter Return (NSR) values for each mineralized block.
- Mineral Resources were prepared using an NSR cut-off value of US\$7.20/t for the oxide saprolite and US\$5.00/t for the sulphide saprolite and fresh rock. An open pit shell was created using the Whittle software package to constrain reporting of the Mineral Resources.
- The Mineral Resource estimate conforms to Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014.
- The Mineral Resources are estimated at 10 million tonnes at an average grade of 1.02 g/t Au and 0.18% Cu containing 318,000 ounces of gold and 17,000 tonnes of copper in the Measured category, 1.17 billion tonnes at an average grade of 0.70 g/t Au and 0.10% Cu containing 26.5 million ounces of gold and 1.2 million tonnes of copper in the Indicated category. Mineral Resources in the Inferred category are estimated at 1.30 billion tonnes at an average grade of 0.61 g/t Au and 0.08% Cu containing 25.4 million ounces of gold and 1.0 million tonnes of copper.

Mining

- Mine production is scheduled to be carried out at a maximum mining rate ranging from 330 ktpd to 380 ktpd of total material.
- Stripping ratios are expected to average 1.16 over the Life of Mine ("LoM") plan
- A separate equipment fleet of smaller excavators and articulated dump trucks is included in the mining capital for saprolite mining in the first 10 years. Typically, undisturbed saprolite material can be difficult to mine as the moisture creates operation problems. As the Siembra Minera Project area has essentially been disturbed, RPA has assumed most saprolite is handled by the larger equipment fleet. The larger mine fleet is more productive and prior experience at Cristinas shows that rigid frame trucks can operate in the saprolite.
- Stockpiles are required for blending the process feed to achieve sufficient copper grades in flotation to produce a copper concentrate above 20%. Stockpiles fluctuate year to year, but achieve maximum capacity of just over 70 million tonnes.

Mineral Processing

- Both Brisas and Cristinas were developed to the feasibility-level stage and beyond in 2006 to 2007 so the quantity of information available is greater than would typically be available at the PEA stage of a project.
- The material to be mined from Siembra Minera is demonstrated to be amenable to both cyanide leaching and to sulphide flotation. For materials that contain lower concentrations of copper, cyanide leaching is more cost effective and for material that contains higher concentrations of copper, sulphide flotation is more cost effective.

- The prior metallurgical test work met industry standards at the time the studies were completed, however, technology has progressed in the subsequent ten plus years and industry standards have evolved. Current standards include testing of a large number of variability samples and development of geometallurgical models, as opposed to testing composite samples to represent "average" material to be processed, which was the emphasis for the Brisas test program.

Environment

- GRE is in the process of preparing environmental reports and programs to meet municipal, provincial, and national regulatory requirements, as well as generally accepted international standards.
- Two separate but parallel Environmental and Social Impact Assessments (ESIA) are being prepared for the Siembra Minera Project, one that meets Venezuelan regulatory requirements and one that meets international standards and guidelines.
- A conceptual plan for small-scale mining management is in place. The conceptual plan includes relocation of the artisanal miners away from the active, large scale mining operations and establishment of an oxide saprolite processing and stockpile area with concrete tailings ponds that collect and transport tailings from the artisanal mining operations to the Siembra Minera Project tailings management facility (TMF).

RECOMMENDATIONS

Given the positive economic results presented in this report, RPA recommends that the Siembra Minera Project be advanced to the next stage of engineering study and permitting. RPA offers the following recommendations.

Geology and Mineral Resources

- Acquire new topographic data.
- Drill approximately 150 to 200 drill holes totaling approximately 75 km to 100 km. This drilling would have a number of objectives including:
 - Conversion of Inferred Mineral Resources to Indicated with priority set on Inferred Mineral Resources situated in the 5 and 10-year pit shells.
 - Drilling to determine the extent of mineralization at depth in the Main Zone as this will determine the limits of the largest possible pit and help with the location of features such as dumps and roads.
 - Better definition of the copper mineralization in the Main Zone footwall.
 - Improving preliminary artisanal mining sterilization assumptions.
 - Condemnation drilling of proposed waste rock storage sites.
 - Closer spaced drilling in the El Potaso area between Brisas and Cristinas concession areas.
 - Drilling on the northwest extensions of the mineralization in the Morrocoy and Cordova areas.
 - Drilling on the Cristinas Main Zone for density measurements.
- Improve understanding of the geological and structural controls on the shapes and local trends of high grade lenses in the Main Zone. Northwest striking cross-faults need to be identified and modelled and structural sub-domains built to improve future variography studies and dynamic anisotropy trend surfaces. This will improve the local accuracy of future gold and copper grade models.
- Carry out additional 3D mineralization trend analysis studies, domain modelling, and variography work for the gold and copper mineralization. This will also assist in evaluating if additional 5-spot drill holes are needed to support the Indicated classification in some areas with more complex geology.
- Depending on the outcome of new variography work, build gold and copper models using ordinary kriging.
- Develop a new lithology model once new drill holes have been drilled so that an improved material densities model can be created.
- Build a structural model.
- For the proposed drilling, implement field and coarse duplicate sampling programs at Siembra Minera at a rate of approximately 1 in 50.
- Acquire three or four matrix-matched certified reference materials that approximate the cut-off grade, average grade, and high grades and insert them in all future drill programs at the Siembra Minera Project at a rate of approximately 1 in 25.
- Implement external laboratory check assays at a rate of approximately 1 in 20.

Mining

- RPA is of the opinion that one of the most important factors influencing mining will be the amount of water entering the pit. RPA recommends contracting a groundwater hydrologist to evaluate the combined Project based on past work.
- A LoM schedule should be generated for the mining and processing of the Siembra Minera mineralized material. This study should include optimization and blending of the materials to achieve a sufficiently high copper grade to produce a copper concentrate grade above 20%.
- A trade-off study should be completed for the backfilling of the open pit with waste rock and/or neutralized tailings.
- A geotechnical investigation program should be carried out to confirm the subsurface conditions under the proposed new open pit, waste dump locations, and stability analysis undertaken to verify design recommendations.

Mineral Processing

- Every effort should be made to acquire access to the detailed metallurgical and plant data for Cristinas. In the absence of that data, detailed metallurgical sampling and testing are required to provide the information required to design the oxide leaching plant.
- Additional test work should be conducted for the flotation plant using variability samples taken from throughout the deposits with particular emphasis on Cristinas where limited variability testing was done using the flotation flowsheet. Currently, industry standard emphasizes the use of variability samples as opposed to the composite samples that were predominantly used in previous flotation testing.
- RPA is of the opinion that there is considerable potential for optimization of the flowsheet of the Siembra Minera Project. Examples include:
 - Increased efficiency if larger equipment sizes are utilized in the design. Due to cost savings and enhanced performance, the sizes for grinding mills and flotation cells have increased substantially. As examples, semi-autogenous grinding mills that are now available are as large as 12.2 m diameter by 8.8 m long as opposed to the 11.6 m by 6.7 m that are in the current design and flotation cells now have capacities of 600 m³ instead of the 160 m³ that are in the current design. The larger pieces of equipment result in a reduced footprint and fewer pieces of equipment and, therefore, lower installed costs.
 - The use of an adsorption desorption recovery ("ADR") that is designed for the combined Project will probably result in less cost than merely doubling the size of the current design. In addition to this, consolidating the ADR from the oxide leach plant into a plant that can later be expanded to process the doré from the flotation plant has the potential to not only cut costs but also reduce security concerns and efforts.
- RPA is of the opinion that the current conceptual design for the oxide leach plant does not include the best options for Siembra Minera. Areas that require detailed evaluations include:
 - Use of carbon-in-leach ("CIL") instead of carbon-in-pulp ("CIP") particularly since the plant designs for both Cristinas and Brisas were changed to CIL from CIP during previous studies.
 - Investigate elimination of the copper circuits. Data from the Cristinas feasibility study shows that copper is only soluble in the sulphide saprolite and that it is not soluble in material that has lower copper concentrations. Therefore, the copper circuit should not be needed as the sulphide saprolite that contains higher concentrations of copper will be processed in the flotation plant and not in the oxide leach plant.
 - Changes to the gravity separation circuit. The use of continuous centrifugal concentrators instead of batch units to eliminate manual labour and reduce potential for theft. Use intensive cyanide leaching to process the gravity gold concentrate instead of shaking tables. Prior studies showed that intensive cyanide leaching was preferable for treatment of the gravity concentrate for both Brisas and Cristinas.
 - Selection of designs that are appropriate for processing clay-like saprolitic material, including:
 - Appropriate tank sizing using slurry densities that are consistent with the material that has a low specific gravity and is viscous in nature
 - Proper agitator selection
 - Selection of pumps and design of piping
- Design of the TMF for the combined Project is preliminary. Further detailed geotechnical work is required to complete a design for the final tailings. Preliminary plans are to use the feasibility level design from the SNC-Lavalin 2007 study as Stage 1 of construction with the final tailings inundating the Stage 1 structure.

Environment

- Gold Reserve has held discussions with the small miners, indigenous groups, and local people. RPA recommends continuing discussions with these groups.

- Due to the increase in mineral resources, additional work is required for the increased waste rock dump ("WRD") and TMF, and redesign/update of the acid rock drainage ("ARD") mitigation measures.
- A new ESIA will be required for the combined project with an updated project plan and in conjunction with detail design and feasibility study.

Costs and Economics

- After the designs are complete for the Siembra Minera Project, a new capital and operating cost estimate should be completed.
- An updated copper concentrate marketing study should be completed. Recent changes in the world copper concentrate supply have reduced treatment and refining charges for copper and reduced participation charges.

PROPOSED PROGRAM AND BUDGET

RPA's proposed program for the next stage of study is summarized in Table 1-1.

TABLE 1-1 PROPOSED PROGRAM
GR Engineering (Barbados), Inc. – Siembra Minera Project

Description	Cost (US\$ M)
Drilling to upgrade Inferred Mineral Resources – 150 to 200 holes	20
Geotechnical Studies	2
Hydrogeology Study	1
Metallurgical Studies	2
Pre-feasibility/Feasibility Study	5
ESIA and Permitting	2
Total	32

ECONOMIC ANALYSIS

The economic analysis contained in this report is based, in part, on Inferred Mineral Resources, and is preliminary in nature. Inferred Mineral Resources are considered too geologically speculative to have mining and economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that economic forecasts on which this PEA is based will be realized.

A Cash Flow Projection has been generated from the LoM production schedule and capital and operating cost estimates, and is summarized in Table 1-4. All currency is in US dollars (US\$ or \$). A summary of the key criteria is provided below.

ECONOMIC CRITERIA

Production

- The LoM production plan assumes that leach plant detailed engineering/early earthworks will commence in Q1 of Year -2.
- The LoM production plan assumes concentrator plant detailed engineering will commence in Q1 of Year -2.
- A 2-year pre-production period for the leach plant, 2 additional years for completion of the flotation concentrator, and a 45-year overall mine life.
- The leach plant has nameplate capacity of 15,000 tpd from year 1 through year 10, which increases in year 11 to 35,000 tpd through year 45 "EoM" (5.8 Mtpa to 12.25 Mtpa, respectively).
- The concentrator plant has nameplate capacity of 140,000 tpd from year 3 through year 10, which decreases in year 11 to 105,000 tpd through year 45 EoM (58 Mtpa to 36.75 Mtpa, respectively).
- Total combined leach and concentrator production is 2.0 billion tonnes, at a grade of 0.70 g/t Au, 0.50 g/t Ag, and 0.090% Cu.
- The copper head grades in the mine plan are 302 Mt at 0.017% Cu and 1,703 Mt at 0.106% Cu for the leach and concentrator plants, respectively. However, the leach plant does not recover copper, thus the overall average copper head grade in the total mill feed is 2,005 Mt at 0.090% Cu.
- Average overall metal recovery of 84% Au, 53% Ag, and 84% Cu.

- Total recovered metal of 38.1 Moz Au, 17.1 Moz Ag, and 3.3 billion lb Cu.
- Average LoM annual recovered metal production of 847 koz Au, 380 koz Ag, and 78 million lb Cu.
- Average annual recovered metal production in Years 3 through 18 of 1,229 koz Au, 469 koz Ag, and 77 million lb Cu.
- Average annual recovered metal production in Years 19 through 45 EoM of 674 koz Au, 353 koz Ag, and 78 million lb Cu.

Revenue

- Doré payable factors at refinery are 99.9% Au and 98% Ag.
- Copper concentrate average payable factors at smelter are 98% Au, 97% Ag, and 95.8% Cu.
- Payable metal sales for the Siemba Minera Project total 37.6 Moz Au, 16.6 Moz Ag, and 3.2 billion lb Cu split as follows:
 - From Doré: 14.4 Moz Au and 4.1 Moz Ag.
 - From Concentrate: 23.2 Moz Au, 12.5 Moz Ag, and 3.2 billion lb Cu.
- Metal prices: US\$1,300 per troy ounce Au; US\$17 per troy ounce Ag and US\$3.00 per pound Cu.
- NSR for doré includes transport and refining costs of \$0.50 per ounce doré and \$6 per ounce gold/\$0.40 per ounce silver, respectively.
- NSR for copper concentrate includes:
 - Cost Insurance and Freight charge of \$103 per wet tonne concentrate (8% moisture content) consisting of:
 - Road Transport (350 km one way): \$11/t
 - Port Charges (Puerto Ordaz): \$17/t
 - Ocean Transport (Europe): \$75/t.
 - Smelter treatment charge of \$95 per dry tonne concentrate.
 - Smelter refining charges of \$0.095/lb Cu, \$6/oz Au, and \$0.40/oz Ag.
 - Copper price participation is not included.

Costs

- Pre-production period to CIP plant First Production: 24 months (January Year -2 to December Year -1).
- Pre-production period to concentrator First Production: 48 months (January Year -2 to December Year 2).
- Project development capital totals \$2.57 billion, including \$459 million in contingency (22% of direct and indirect capital).
- Sustaining capital of \$1.42 billion.
- Average unit operating costs in \$/t milled over the mine life:

Mine (\$1.36/t mined):	2.89
Process:	4.93
G&A:	1.32
Other Infrastructure:	0.14
Direct Operating Costs	9.29
Concentrate Freight	0.36
<u>Off-site Costs</u>	<u>0.54</u>
Total	\$10.19

Royalties and Government Payments

Royalties and other government payments total \$5.6 billion, or \$2.77/t milled, over the LoM as shown in Table 1-2.

TABLE 1-2 ROYALTIES AND GOVERNMENT PAYMENTS
GR Engineering (Barbados), Inc. – Siembra Minera Project

Item	US\$ M	US\$/t milled
NSR Royalty	3,262.8	1.63
Special Advantages Tax	1,710.0	0.85
Science, Technology and Innovation Contributions	588.1	0.29
Total	5,560.9	2.77

The Project will pay an annual NSR royalty to Venezuela on the sale of gold, copper, and silver and any other strategic minerals of 5% for the first ten years of commercial production and 6% thereafter.

The Project is subject to an additional 3% NSR annual royalty called Special Advantages Tax which is a national social welfare fund.

The Project is subject to a 1% gross revenue levy as part of the Science, Technology and Innovation Contributions fund (LOCTI).

Customs duties and Value Added Taxes are assumed to be waived for the Siembra Minera Project.

Income Taxes, Working Capital, and Other

Income taxes/contributions, upfront working capital and reclamation/closure costs total \$8.3 billion as shown in Table 1-3. Withholding taxes on corporate dividends and interest payments are not incorporated into the Siembra Minera Project economic analysis.

TABLE 1-3 INCOME TAXES, WORKING CAPITAL, AND OTHER
GR Engineering (Barbados), Inc. – Siembra Minera Project

Item	US\$ M
Anti-Drug Contributions	283.9
Sports Contributions	283.9
Corp. Income Taxes Paid	7,373.8
Upfront Working Capital (Yrs 1-4)	195.4
Reclamation and Closure	150.0
Salvage Value	0.0
Total	8,286.9

Anti-drug and Sport Contributions

These profit-based taxes are assessed at 1% of current year and previous year operating income, respectively. The annual operating margin is calculated by taking annual gross revenues and deducting all operating costs and depreciation/amortization allowances.

Corporate Income Tax

The Project economic analysis incorporates a sliding scale of tax rates applicable on income based on Project phases starting in Year 1 of commercial production as follows:

Years 1 through 5:	14%
Years 6 through 10:	19%
Years 11 through 15:	24%
Years 16 through 20:	29%
Years 21+:	34%

Year 1 is the first year of gold production, after commissioning of the 15,000 tpd oxide plant.

Deductions from income for the purpose of estimating income subject to tax include the following items:

- Operating Expense
Expensed operating costs are deducted 100% in year incurred.

- **Stockpile adjustments**
As a result of large stockpiles of mill feed being generated during the life of the mine, the Siembra Minera Project economic analysis includes annual adjustments to EBITDA to match mining costs with recognized revenue. The net effect of these adjustments over the life of the mine is zero but the adjustments increase EBITDA in years where stockpiling exceeds processing and inversely decrease EBITDA when processing stockpile material exceeds stockpile placement amounts.
- **Depreciation/Amortization**
 - All prior expenditures before January 2018 are considered sunk with respect to this analysis.
 - Depreciation commences once the facilities are placed into service and the mine and mill are operating.
 - Heavy mine fleet equipment capital is depreciated using 8-year straight line (SL) method. Light vehicle capital is depreciated using 5-year SL method.
 - All process and infrastructure capital are depreciated using the Units of Production (UoP) method.
 - Capitalized pre-production activities such as pre-stripping and water management are amortized the UoP method.
 - The Project economic analysis incorporates an accelerated depreciation methodology which combines the first 12 years of annual SL depreciation allowances with the standard UoP cost basis. The resulting combined UoP/SL basis is then re-calculated using the UoP method. After 12 years, the depreciation allowances come directly from each UoP or SL category.
 - Reclamation costs are amortized during the LoM by an annual accrual of \$0.035/t mined (\$150 million cost divided by 4.33 billion tonnes mined). This allowance is adjusted annually by periodic reclamation capital expenditures during the LoM.
- **Other Deductions**
Other deductions from income for the purposes of estimating taxable income include management fees which amount to 5% of annual operating and capital costs. The annual management fees derived from operating costs are within the G&A opex category and thus expensed 100% in the year incurred while the annual fees derived from capital costs are amortized using the UoP method starting in the year they are incurred.
- **Loss Carryforwards**
Income tax losses may be carried forward indefinitely but may not be used for prior tax years.

Upfront Working Capital

A total of \$195 million has been allocated for upfront working capital in Years 1 to 4. This amount covers year over year changes in accounts receivable and payable plus consumable inventory.

Reclamation/Closure Costs

The Project economic analysis has a \$150 million LoM closure cost estimate.

Salvage

No salvage value was estimated as part of the Siembra Minera Project economic analysis.

CASH FLOW ANALYSIS

The Project as currently designed has significant variations in the mining schedule, processing methods, and head grades over its planned 45-year life. These variations are shown in Figures 1-1 and 1-2 and the resulting impact on the pre-tax free cash flow profile is shown in Figure 1-3.

FIGURE 1-1 MINE VS. MILL PRODUCTION

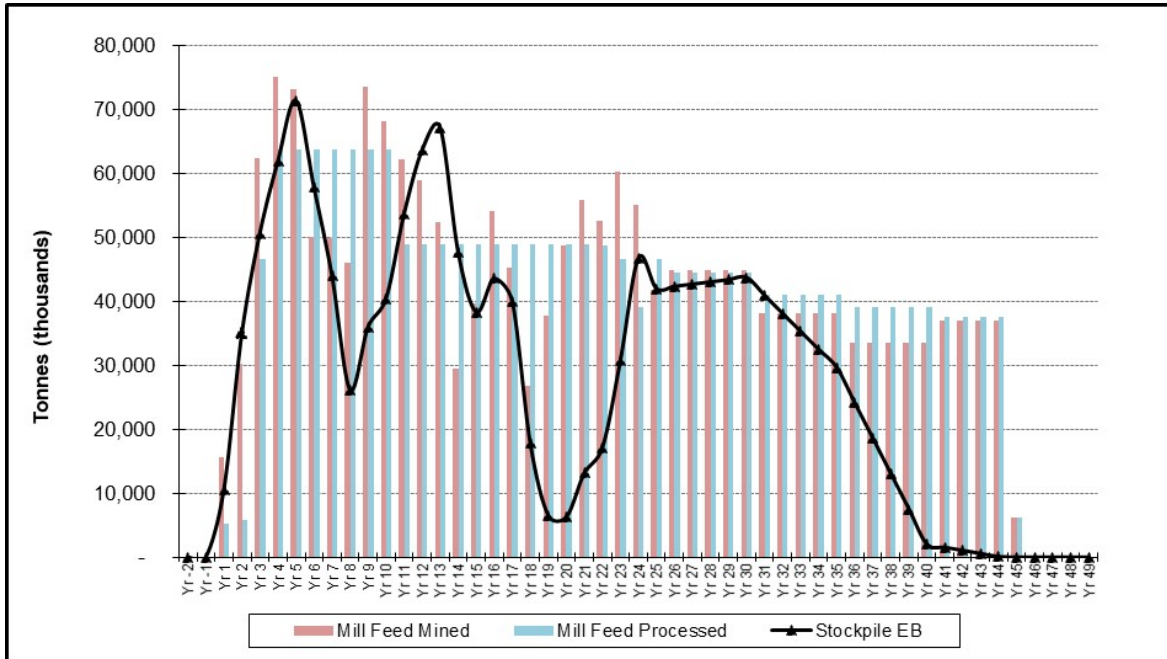


FIGURE 1-2 MILL PRODUCTION PROFILE BY PLANT

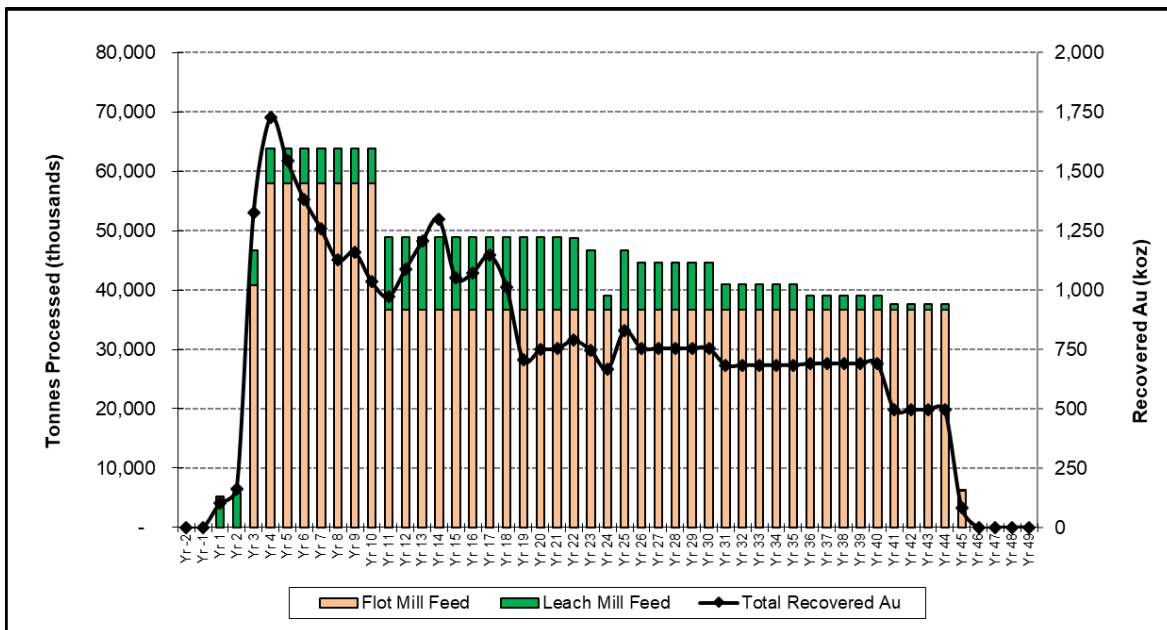


FIGURE 1-3 PROJECT PRE-TAX METRICS SUMMARY

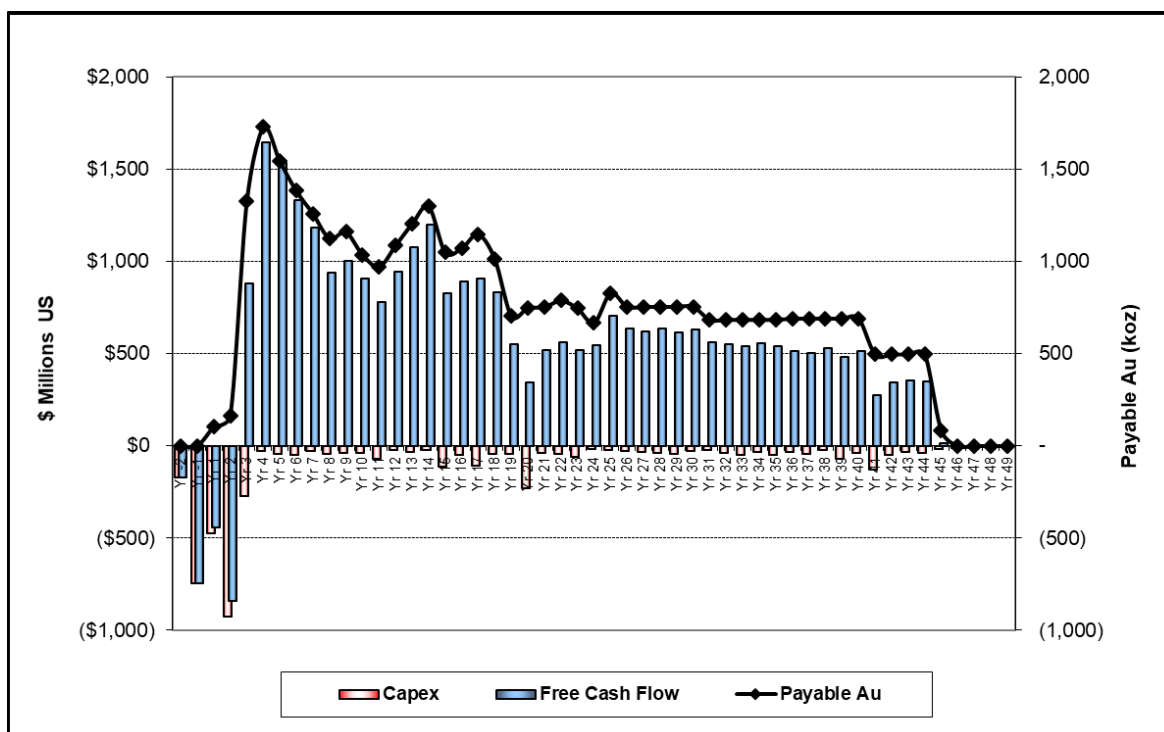


Table 1-4 shows the LoM total metrics for the Siembra Minera Project as currently designed. Due to the length of the 45-year mine life, the full annual cash flow model is presented in Appendix 1.

TABLE 1-4 INDICATIVE PROJECT ECONOMICS
GR Engineering (Barbados), Inc. – Siembra Minera Project

Item	Unit	Value
Realized Market Prices		
Au	US\$/oz	1,300.00
Ag	US\$/oz	17.00
Cu	US\$/lb	3.00
Payable Metal		
Au	Moz	37.6
Ag	Moz	16.6
Cu	Mlb	3,197.6
Total Gross Revenue	US\$ M	58,806.2
Mining Cost	US\$ M	(5,790.9)
Process Cost	US\$ M	(9,881.0)
G & A Cost	US\$ M	(2,653.6)
Other Infrastructure Cost	US\$ M	(288.9)
Concentrate Freight Cost	US\$ M	(728.0)
Off-site Costs	US\$ M	(1,076.5)
NSR Royalty Cost	US\$ M	(3,262.8)
Special Advantages Tax Cost	US\$ M	(1,710.0)
Science (LOCTI) Contributions	US\$ M	(588.1)
Total Operating Costs	US\$ M	(25,979.7)
Operating Margin (EBITDA)	US\$ M	32,826.5
Anti-Drug Contributions	US\$ M	(283.9)
Sport Contributions	US\$ M	(283.9)
Effective Tax Rate	%	22.5%

Item	Unit	Value
Income Tax	US\$ M	(7,373.8)
Total Taxes	US\$ M	(7,941.5)
Working Capital (\$195 M in Years 1 to 4)	US\$ M	0.0
Operating Cash Flow	US\$ M	24,885.0
Development Capital	US\$ M	(2,570.6)
Sustaining Capital	US\$ M	(1,941.7)
Closure/Reclamation Capital	US\$ M	(150.0)
Total Capital	US\$ M	(4,662.3)
Pre-tax Free Cash Flow	US\$ M	28,164.2
Pre-tax NPV @ 5%	US\$ M	11,209.4
Pre-tax NPV @ 10%	US\$ M	5,534.5
Pre-tax IRR	%	36.8%
After-tax Simple Payback	Years	3.8
After-tax Free Cash Flow	US\$ M	20,222.7
After-tax NPV @ 5%	US\$ M	8,101.2
After-tax NPV @ 10%	US\$ M	3,930.1
After-tax IRR	%	31.1%
After-tax Simple Payback	Years	4.1

On a pre-tax basis, the undiscounted cash flow totals \$28,164 million over the mine life. The pre-tax Internal Rate of Return ("IRR") is 36.8%, and simple payback from start of commercial production occurs in 3.8 years. The pre-tax Net Present Values ("NPV") are:

\$11,209 million at a 5% discount rate.

\$5,534 million at a 10% discount rate.

On an after-tax basis, the undiscounted cash flow totals \$20,223 million over the mine life, the IRR is 31.1%, and simple payback from start of commercial production occurs in 4.1 years. The after-tax NPVs are:

\$8,101 million at a 5% discount rate.

\$3,930 million at a 10% discount rate.

The average annual gold sales during the forty-five years of operation is 836 koz per year (37.6 Moz over the LoM) at an average all in sustaining cost ("AISC") of US\$483 per ounce. Table 1-5 shows the AISC build up which is net of a US\$262/oz copper and silver by-product credit (nbp).

TABLE 1-5 ALL-IN SUSTAINING COSTS COMPOSITION
GR Engineering (Barbados), Inc. – Siembra Minera Project

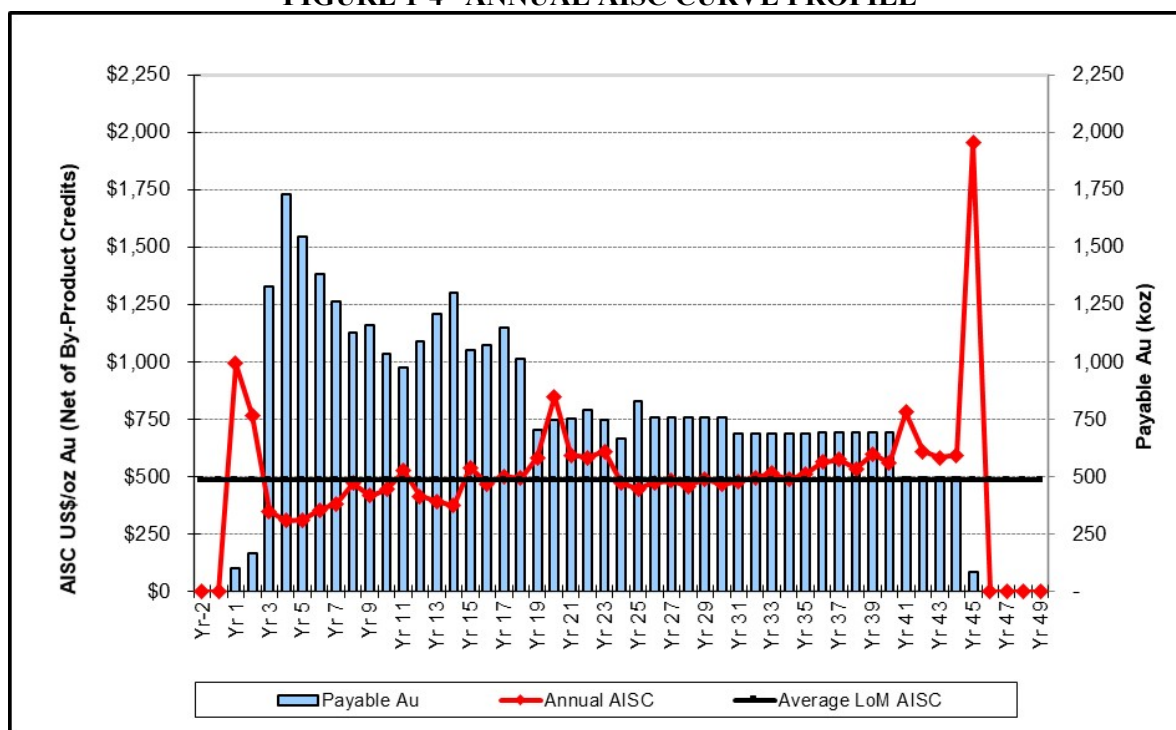
Item	US\$M	US\$/oz Au
Mining	5,790.9	154
Process	9,881.0	263
G & A	2,653.6	71
Other Infrastructure	288.9	8
Subtotal Site Costs	18,614.3	495
Transportation	728.0	19
Off-site Treatment	1,076.5	29
Subtotal Off-site Costs	1,804.5	48

Item	US\$M	US\$/oz Au
Direct Cash Costs	20,418.8	542
Ag and Cu By-Product Credit	(9,875.4)	(262)
Total Direct Cash Costs (nbp)	10,543.4	280
NSR Royalty	3,262.8	87
Special Advantages Tax	1,710.0	45
STI Contributions	588.1	16
Total Indirect Cash Costs	5,560.9	148
Total Production Costs	16,104.3	428
Sustaining Capital Cost	1,941.7	52
Closure/Reclamation Capital	150.0	4
Corporate G&A	0.0	0
Off-mine Exploration	0.0	0
Total Sustaining Costs	2,091.7	56
Total All-in Sustaining Costs	18,196.0	483

Figure 1-4 shows the annual AISC trend during the mine operations against an overall average AISC of US\$483/payable oz over the 45-year LoM at an annual production rate of 836 koz Au per year. The AISC variations are mainly driven changes in grades, mine schedule, and processing methods. The AISC metric can range from US\$309/oz to US\$992/oz Au in a given year (excluding final year spike in Year 45 of \$1,956/oz) but can be subdivided into three distinct phases:

- Phase 1: Years 1 and 2 (CIP only) - 133 koz/yr Au at \$853/oz.
- Phase 2: Years 3 through 18 (mining highest grades) - 1,191 koz/yr Au at \$411/oz.
- Phase 3: Years 19 through 45 EoM (mining lower grades) - 665 koz/yr Au at \$554/oz.

FIGURE 1-4 ANNUAL AISC CURVE PROFILE



SENSITIVITY ANALYSIS

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities:

- Head grade
- Gold recovery
- Gold price
- Operating costs
- Capital costs
- Discount rates

Pre-tax NPV and IRR sensitivities over the base case has been calculated for -20% to +20% variations metal-related categories. For operating costs and capital costs, the sensitivities over the base case has been calculated at -15% to +35% variation. The sensitivities are shown in Table 1-6 and in Figures 1-5 and 1-6, respectively.

TABLE 1-6 PRE-TAX SENSITIVITY ANALYSIS
GR Engineering (Barbados), Inc. – Siembra Minera Project

Factor Change	Head Grade (g/t Au)	NPV at 10% (US\$ M)	IRR (%)
0.8	0.56	3,477.3	28.3%
0.9	0.63	4,505.8	32.7%
1.0	0.70	5,534.5	36.8%
1.1	0.78	6,563.2	40.6%
1.2	0.85	7,591.9	44.3%

Factor Change	Recovery (% Au)	NPV at 10% (US\$ M)	IRR (%)
0.8	67	3,477.3	28.3%
0.9	76	4,505.8	32.7%
1.0	84	5,534.5	36.8%
1.1	92	6,563.2	40.6%
1.2	100	7,489.0	44.0%

Factor Change	Metal Price (US\$/oz Au)	NPV at 10% (US\$ M)	IRR (%)
0.8	1,040	3,166.4	27.2%
0.9	1,170	4,350.4	32.2%
1.0	1,300	5,534.5	36.8%
1.1	1,430	6,718.5	41.1%
1.2	1,560	7,902.5	45.1%

Factor Change	Operating Costs (US\$/t milled)	NPV at 10% (US\$ M)	IRR (%)
0.85	\$11.57	6,068.2	38.6%
0.93	\$12.27	5,801.3	37.7%
1.00	\$12.96	5,534.5	36.8%
1.18	\$14.59	4,911.7	34.6%
1.35	\$16.21	4,289.0	32.3%

Factor Change	Capital Costs (US\$ M)	NPV at 10% (US\$ M)	IRR (%)
0.85	\$4,222	5,812.0	41.1%
0.93	\$4,385	5,673.2	38.8%
1.00	\$4,547	5,534.5	36.8%
1.18	\$4,927	5,210.7	32.7%
1.35	\$5,306	4,886.9	29.3%

FIGURE 1-5 PRE-TAX NPV 10% SENSITIVITY ANALYSIS

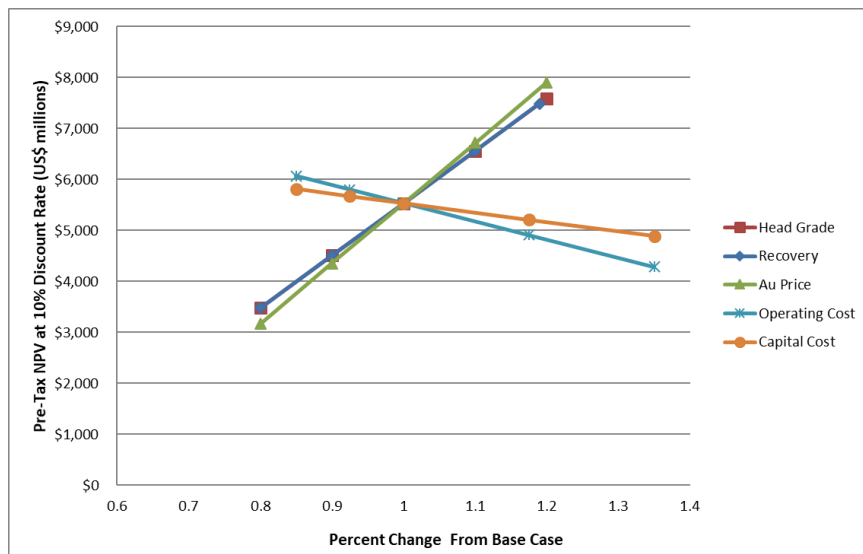
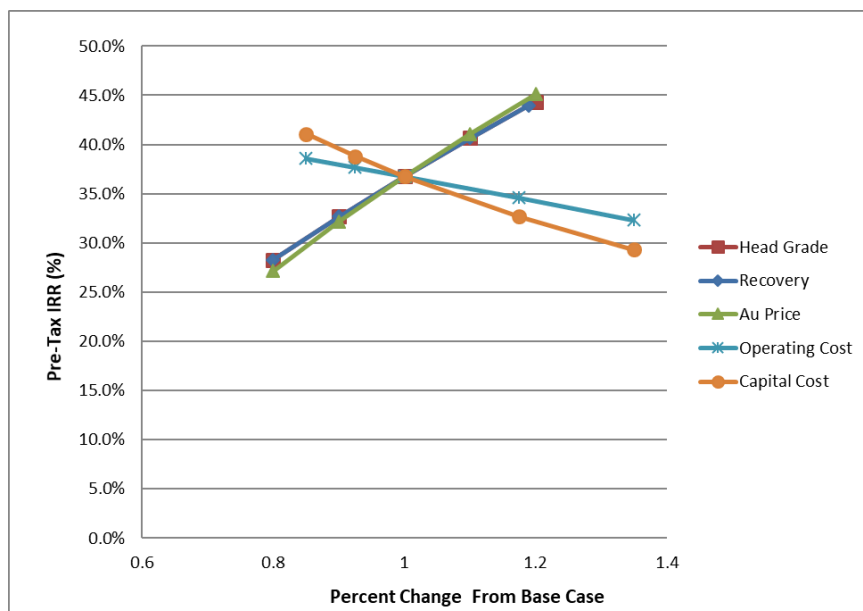


FIGURE 1-6 PRE-TAX IRR SENSITIVITY ANALYSIS



A sensitivity analysis of discount rates is presented in Figure 1-7 and 1-8 and shows that the Siemba Minera Project as currently designed would be NPV positive through a 20% discount rate.

FIGURE 1-7 PRE-TAX DISCOUNT RATE SENSITIVITY ANALYSIS

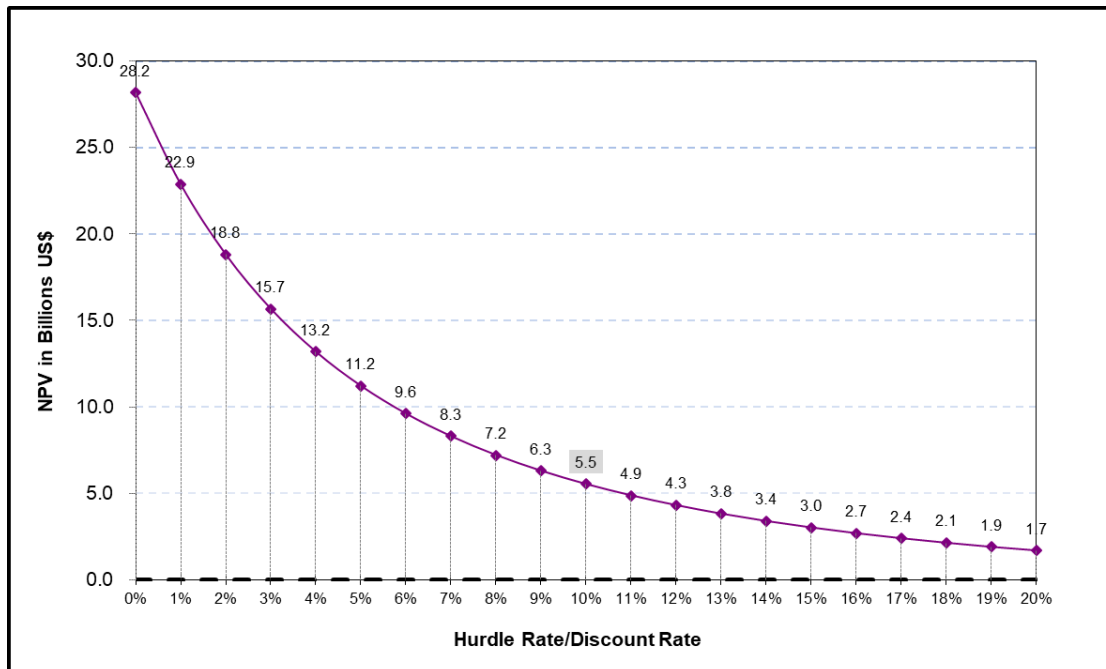
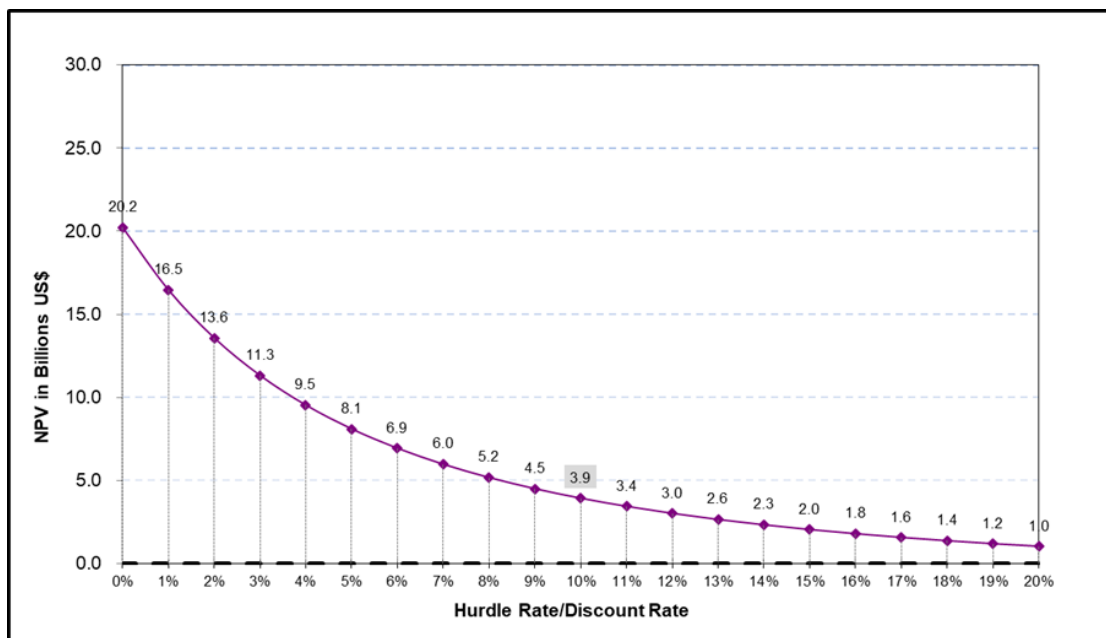


FIGURE 1-8 AFTER-TAX DISCOUNT RATE SENSITIVITY ANALYSIS



TECHNICAL SUMMARY

Property Description and Location

The Siembra Minera Project is located in the Kilometre 88 mining district of Bolívar State, in southeast Venezuela at Latitude 6° 11' North and Longitude 61° 28' West. The property is approximately 3.5 km west of Highway 10. Las Claritas is the closest town to the property.

The Project site is located in the Guyana region, which covers approximately one-third of Venezuela's national territory. The closest nearby large city is Ciudad Guayana, with approximately 1,050,000 inhabitants (2001), situated on the Orinoco River near its confluence with the Caroní River. Ciudad Guayana consists of the old town of San Félix to the east and the new town of Puerto Ordaz to the west. Puerto Ordaz is home to most of the major industrial facilities such as aluminum smelters and port facilities. Puerto Ordaz has major port facilities accessible to ocean-going vessels from the Atlantic Ocean via the Orinoco River, a distance of approximately 200 km. There is regularly scheduled commercial airline service to Puerto Ordaz from Caracas.

Highway 10 provides paved access from Ciudad Guayana, which is 373 km northwest of the property, to within 3.5 km of the Project site. Unpaved roads provide the remaining 3.5 km of access.

The Siembra Minera Project area encompasses approximately 18,951 ha and has been designated as an Economic Zone by the Venezuelan Government.

History

Gold in the Siembra Minera region was first discovered in 1920. Gold mining in the Siembra Minera Project area was initiated in the 1930s and continued sporadically on a minor scale until the early 1980s when a gold rush occurred. Approximately 5,000 to 7,000 small miners worked alluvial and saprolite-hosted gold deposits using hydraulic mining techniques. The amount of gold recovered is unknown and much of the area of the concessions is now covered with tailings.

Placer conducted essentially all of the modern exploration on Cristinas during its tenure on the property from 1991 to 2001. Placer completed line cutting, mapping, rock and soil sampling, geophysics, and drilling of 1,174 drill holes for a total of 158,738 m of drilling. In 2003, Crystallex undertook drilling of 12 holes totaling 2,199 m to confirm the tenor of mineralization presented in the pre-existing database and also assayed check samples. Between 2003 and 2007, Crystallex released at least two feasibility studies and several resource and reserve estimates for Cristinas, all of which are historic in nature and should not be relied upon.

The Brisas concession was acquired by Gold Reserve in August 1992 with the acquisition of Compañía Aurífera Brisas del Cuyuni C.A. A large stratabound gold-copper mineralization was discovered in both alluvial and hard rock material by a drilling program in 1993. A majority of the exploration and development drilling took place in 1996 and 1997, with additional drilling completed in 1999, 2003, 2004, and 2005. As of 2005, 802 exploration holes had been drilled including 186,094 m of core drilling and 189,985 m of exploration core and auger drilling. In 2005-2006, an additional 76 holes were drilled on the Brisas concessions for geotechnical and other studies. A number of resource estimates have been completed for the Brisas deposit, all of which are superseded by the current Mineral Resource estimate in this report. A pre-feasibility study was carried out in 1998 and a feasibility study in 2005, with a feasibility update in 2008, all including historic reserve estimates.

Geology

The Siembra Minera Project is within the Guyana Shield in northern South America. The shield covers easternmost Colombia, southeastern Venezuela, Guyana, Suriname, French Guiana, and northeastern Brazil. The Venezuelan portion of the shield is subdivided into five geological provinces with different petrological, structural and metallogenic characteristics. The provinces are, from oldest to youngest, Imataca, Pastora, Cuchivero, Roraima, and Parguaza. Only the Imataca, Pastora and Roraima provinces are found in the vicinity of the Siembra Minera deposit.

The Siembra Minera deposit lies within a portion of the lower Caballape Formation volcanic and volcanic-related sedimentary rocks. The units present are (1) andesitic to rhyolitic tuffaceous volcanic beds, (2) related sedimentary beds, and (3) a tonalitic intrusive body. All rocks have been tilted and subjected to lower greenschist facies metamorphism. It is thought, based on information from nearby properties, that the Siembra Minera Project occupies one limb of a large regional fold. Limited direction-indicating structures show the strata to be top-up. In the main mineralized trend, moderate to strong foliation is oriented N10°E and dipping 30° to 55° northwest. This foliation appears to be parallel to the original bedding and tends to be strongest in the finer-grained rocks. A much weaker foliation orientation appears in outcrop exposures, striking north-northwest and dipping to the southwest.

There are four distinct types of gold and copper mineralization present at Brisas, defined by geometry, associated minerals, and the gold-copper ratio. These zones are the Blue Whale body, disseminated gold+pyrite (\pm copper), disseminated high copper, and shear-hosted gold. Only the first three types are encountered within the proposed pit geometry.

Two distinct styles of mineralization are present at Cristinas: hydrothermal breccia-hosted mineralization at Mesones-Sofia and stratiform mineralization at Conductor, Morrocoy, and Cordova. The vast majority (approximately 95%) of the gold at Cristinas is contained in the stratiform mineralized zone.

Exploration Status

Drilling at Brisas was carried out by Gold Reserve from late 1992 to 2006 and consisted of 975 drill holes totalling approximately 207,000 m. In addition, four trenches were dug for a total of 60 m. At Cristinas, drilling was carried out by Placer from 1992 to 1997, consisting of 1,182 drill holes totaling approximately 155,000 m, and by Crystallex from 2003 to 2007, consisting of 90 holes totalling approximately 28,000 m. The Crystallex drill hole data was not available for RPA's resource modelling work.

The Siembra Minera mineralization is open down dip in all zones and along strike to the northwest in Morrocoy and Cordova because of insufficient drilling. Current plans for exploration are based on brownfield expansion of the existing deposit. As the Siembra Minera Project advances, GRE proposes to carry out approximately 75,000 m to 100,000 m of new drilling.

Mineral Resource Estimates

A Mineral Resource estimate, dated December 31, 2017, was completed by RPA using the Surpac and Leapfrog Geo software packages. Wireframes for geology and mineralization were constructed in Leapfrog Geo based on geology sections, assay results, lithological information, and structural data. Assays were capped to various levels based on exploratory data analysis and then composited to three metre lengths. Wireframes were filled with blocks measuring 10 m by 10 m by 6 m (length, width, height). Block grades were estimated using dynamic anisotropy and inverse distance squared algorithms. Block estimates were validated using industry standard validation techniques. Classification of blocks was based on drill hole spacing distances and other criteria.

A summary of the Mineral Resources at the Siembra Minera Project is provided in Table 1-7.

TABLE 1-7 SUMMARY OF MINERAL RESOURCES – DECEMBER 31, 2017

GR Engineering (Barbados), Inc. – Siembra Minera Project

Category	Tonnes (Mt)	Grade (g/t Au)	Grade (% Cu)	Contained Gold (koz Au)	Contained Copper (kt Cu)	(Mlb Cu)
Measured	10	1.02	0.18	318	17	38
Indicated	1,174	0.70	0.10	26,504	1,202	2,649
Total Measured + Indicated	1,184	0.70	0.10	26,823	1,219	2,687
Inferred	1,291	0.61	0.08	25,389	1,044	2,300

Notes:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at an NSR cut-off value of US\$7.20 per tonne for oxide-saprolite material and US\$5.00 per tonne for sulphide-saprolite and fresh rock material.
3. Mineral Resources are constrained by a preliminary pit shell created using the Whittle software package.
4. Mineral Resources are estimated using a long-term gold price of US\$1,300 per ounce, and a copper price of US\$3.00 per pound.
5. Bulk density varies by material type.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Numbers may not add due to rounding.

RPA is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Mining

The Siembra Minera Project is an open pit gold-copper mining project that will utilize 30 m³ hydraulic shovels and 236-tonne trucks as the primary mining equipment.

The resource pit optimization was developed by RPA based on the RPA Mineral Resource estimate (Table 1-7). Blocks classified as Measured, Indicated, and Inferred Mineral Resources were included in the resource pit optimization process for the Siembra Minera deposit. The resource pit is approximately 6,000 m long and 1,900 m wide with a maximum depth of approximately 700 m. The pit slope on the east wall follows the mineralization with slopes from 36° to 38°, while the west wall final pit has overall pit slopes ranging from 48° to 50°.

Mine production is scheduled to be carried out at a maximum mining rate ranging from 330 ktpd to 380 ktpd of total material. Stripping ratios are expected to average 1.16 over the LoM plan. The production schedule was produced using Whittle software to guide the mining sequence, Vulcan to design phases, waste dumps and the final pit, and XPAC to schedule the phases following the processing requirements.

During the first ten years of the Siembra Minera Project, 5.8 million tonnes per annum (Mtpa) of oxide saprolite that does not require grinding will be processed in the oxide saprolite plant. The flotation plant starts two years after the oxide plant. Feed to the flotation mill is scheduled for 58.0 Mtpa for years 3 to 10, while softer high copper sulphide saprolite material is available. In year 11, one quarter of the flotation grinding mill (12.25 Mtpa) is converted to oxide to accommodate the harder low-copper sulphide saprolite and low-copper hard rock materials. The other 36.75 Mtpa of capacity in the grinding mill are used for the harder higher-copper material in the flotation. The oxide plant will start processing with a combination of saprolite and low copper hard rock using the leach tanks from the oxide saprolite plant and additional leach tanks required for processing. The hard rock and sulphide saprolite was divided into high copper and low copper using a 0.02% Cu threshold.

In order to supply the processing input required in the first 10 years of production, the total material mined must achieve up to 120 Mtpa from a combination of the mining phases. The mining rate will change depending on stockpile size, increasing total mining rate to 140 Mtpa in year 20.

Total resources potentially mineable by open pit are estimated at approximately 2.0 billion tonnes of mineralized material at a gold grade of 0.705 g/t and a copper grade of 0.1% with 2.3 billion tonnes of waste for a stripping ratio of 1.16 tonnes of waste per tonne of mineralized material.

All of the waste rock, except that used for TMF construction, will be disposed of in the WRD facilities located to the north, west, and south of the pit. It appears that a portion of the Siembra Minera pit could be backfilled with waste rock, however, further investigation into tailings disposal and pit backfill opportunities are recommended.

Mineral Processing and Metallurgical Testing

The Siembra Minera Project consists of three rock types. Hard rock ore comprises approximately 87% of the material that will be processed. The remaining 13% of the mineralized material is saprolite with a split composed of approximately 43% oxide saprolite and 57% sulphide saprolite. Metallurgical test work was conducted on hard rock that contains higher and lower copper concentrations, and on blends that simulate the blends projected for the plant operation.

Based on the results of metallurgical testing, the conceptual processes selected for the combined project include a cyanide leach plant to process oxide saprolite and sulphide saprolite that contains low concentrations of copper to recover gold as doré from gravity concentration and cyanide leaching plus a flotation concentrator to process sulphide saprolite and hard rock that contain higher concentrations of copper. The flotation concentrator will recover copper and gold into a copper flotation concentrate and gold as doré utilizing gravity concentration and cyanide leaching of cleaner scavenger tailings.

The production schedule for this PEA is based on initially processing oxide saprolite through a 15,000 tpd cyanide leach plant. The crushing and screening plant feed is designed to process approximately 10% higher assuming that some of the material will be rejected due to oversize and/or rock material. Starting in year 7, the majority of the oxide saprolite is depleted and sulphide saprolite that contains low concentrations of copper will also be fed to the plant. In years 9 and 10, only low copper sulphide saprolite will be fed to the oxide plant.

In year 4, the flotation concentrator will be commissioned. The feed to the plant includes sulphide saprolite that contains higher concentration of copper and a combination of high and low copper hard rock material at a nominal rate of 140,000 tpd although the actual feed rate is higher in the early years due to the presence of sulphide saprolite which is easier to grind.

In year 11, the quantity of hard rock with suitable copper grades to produce acceptable concentrate grades in the flotation plant diminishes so the plant will be re-configured to process less material through the flotation plant and additional material through the oxide leach plant. The conceptual plan, at this early stage of the Siembra Minera Project development, is to reduce the feed to the flotation concentrator to approximately 105,000 tpd and increase the tonnage to the oxide leach plant to 35,000 tpd. The low copper hard rock material will be ground in the existing milling circuit in the flotation plant and the leach plant will be expanded to accommodate the higher tonnage of material. The ball mill in the oxide leach plant, which is only sized to process saprolite, can be decommissioned or used to grind saprolite that is pumped from the open pit mine to the oxide leach plant.

Environment

Two separate, but parallel ESIA are being prepared for the Siembra Minera Project. One ESIA is intended to meet Venezuelan regulatory requirements and the second one, international standards and guidelines. The Venezuelan ESIA is expected to be completed and submitted to the Ministry of People's Power for Ecosocialism and Water (MINEA) in 2018; and the International ESIA will be completed soon thereafter.

Prior to submission of the ESIA, an Authorization to Occupy the Territory (AOT) must be obtained and a Term of Reference ("TDR") approved. The AOT certifies that the proposed use of the land by the Siembra Minera Project is compatible with the land use designation of the area and the TDR defines the scope and contents of the ESIA. Both AOT and TDR must be submitted to MINEA. GRE has submitted the application for an AOT, and the TDR for the Siembra Minera Project will be submitted as soon as the AOT is approved. Upon the approval of the TDR, GRE will prepare and submit the ESIA to MINEA. An application for the Authorization to Affect Natural Resources ("AANR"), a permit for exploitation, will be submitted as soon as the Siembra Minera Project ESIA is approved, which is expected to be in 2018.

In addition to the ESIA's, GRE is in the process of developing a series of environmental and social management plans and programs. Thousands of small-scale miners are actively working in the Siembra Minera Project area and adequate management of small-scale mining is critical to the success of the Siembra Minera Project. A conceptual plan for small-scale mining management has been developed by GRE to relocate these miners to the Oro concession area.

Based on the current Project design, reclamation activities will commence soon after construction begins, and will continue throughout the life of the Siembra Minera Project. Closure activities will continue for three years after the end of the mine life in year 27. Some intermittent reclamation would also take place before year 23, when areas are no longer needed for mine operation activities. Total expenditures for reclamation and closure are currently estimated to be approximately US\$150 million.

Capital Cost Estimate

A summary of capital costs is shown in Table 1-8.

TABLE 1-8 CAPITAL COST SUMMARY
GR Engineering (Barbados), Inc. – Siembra Minera Project

Description	Development	Sustaining	LoM Total
Mineral Reserve Definition	0.0	100.0	100.0
Mining	436.6	1,212.6	1,649.2
Processing - CIP	97.0	0.0	97.0
<u>PROCESSING - Concentrator</u>	696.8	11.0	707.8
Processing - Tailings Dam	54.9	322.5	377.4
Processing - Port/Diversion/Vehicles	74.8	34.2	109.0
Processing - CIP Plant Conversion to 35 ktpd	0.0	35.0	35.0
Engineering & Geology	15.9	30.1	46.0
ARD Plant	2.3	0.0	2.3
Site Infrastructure	111.8	9.5	121.3
Subtotal Direct Cost	1,490.1	1,754.9	3,245.0
Indirects - CIP	34.3	0.0	34.3
Indirects - Concentrator	278.1	0.0	278.1
Indirects - Owner's Cost	310.4	150.6	461.0
Total Cost Before Contingency	2,112.8	1,905.5	4,018.3
Contingency - Mining	30.0	0.0	30.0
Contingency - CIP	26.3	0.0	26.3
Contingency - Concentrator	238.6	0.0	238.6
Contingency - TMF	16.5	0.0	16.5
Contingency - Port/Diversion/Vehicles	18.2	0.0	18.2
Contingency - Infrastructure	35.2	0.0	35.2
Contingency - Owner's Cost	93.1	36.2	129.3
Total Contingency	457.8	36.2	494.0
% Contingency	21.7%	1.9%	12.3%
Total Capital Cost	2,570.6	1,941.7	4,512.3
Reclamation/Closure Cost	0.0	150.0	150.0
Total Capital Cost excl. Working Capital	2,570.6	2,091.7	4,662.3
Working Capital ¹	195.4	0.0	195.4
Total LoM Capital Cost	2,766.0	2,091.7	4,857.7

Note:

1. Upfront working capital of \$195 million during Yrs 1 to 4. Recaptured at end of mine life.

Operating Cost Estimate

The Siembra Minera Project will process approximately 2,005 million tonnes of mineralized material over its planned 45-year mine life. The estimated average operating costs for the Siembra Minera Project life are shown in Table 1-9.

TABLE 1-9 ESTIMATED LOM OPERATING COSTS
GR Engineering (Barbados), Inc. – Siembra Minera Project

Area	US\$/t Milled
Mining (US\$1.36/t mined)	2.89
Process	4.93
G&A	1.32
Other Infrastructure	0.14
Transportation	0.36
Off-site Treatment	0.54
Subtotal Operating Costs Before Royalties	10.19
Royalties/Production Taxes	2.77
Total	12.96

Operating costs for this Project appear to be low, however, the diesel fuel price of \$0.02/L, the electricity cost of \$0.038/kWh (\$38/MWh), and the low labour costs have a significant impact on the unit operating costs.

LMS Gold Project

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the "LMS Property"), together with certain personal property for \$350,000, pursuant to a Purchase and Sale Agreement with Raven Gold Alaska Inc. ("Raven"), a wholly-owned subsidiary of Corvus Gold Inc. Raven retains an NSR with respect to (i) "Precious Metals" produced and recovered from the LMS Property equal to 3% of "Net Smelter Returns" on such metals (the "Precious Metals Royalty") and (ii) "Base Metals" produced and recovered from the LMS Property equal to 1% of Net Smelter Returns on such metals, however we have the option, for a period of 20 years from the date of closing of the acquisition, to buy back a one-third interest (i.e. 1 %) in the Precious Metals Royalty at a price of \$4 million. In 2019 Raven assigned the NSR to Bronco Creek Exploration, Inc. The LMS Property remains at an early stage of exploration with limited annual on-site activities being conducted by the Company. Management is currently evaluating a plan to increase exploration activities on the property which could commence later this year.

Dividends and Distributions

In June 2019, the Company completed a distribution of approximately \$76 million or \$0.76 per share to holders of Class A Shares pursuant to the Return of Capital. The Return of Capital was completed pursuant to a plan of arrangement under the ABCA which required approval by the Court and at least two-thirds of the votes cast by Shareholders in respect of a special resolution. Full details of the Return of Capital are described in the Company's management proxy circular dated April 30, 2019 and other related materials filed with applicable Canadian securities regulatory authorities and made available at www.sedar.com or www.sec.gov, and posted on the Company's website at www.goldreserveinc.com.

Other than requirements imposed under applicable corporate law, there are no other restrictions on the Company's ability to pay dividends under the Company's constituting documents. Although the Company has no present intention of paying dividends on the Class A Shares, following the future receipt, if any, of additional funds associated with the Settlement Agreement and/or Award and after applicable payments of Net Proceeds to holders of our CVRs and participants under our Bonus Plan, we expect to distribute to our Shareholders a substantial majority of any remaining proceeds.

The Board will determine if and when dividends should be declared and paid in the future and any such determination will be based in part on applicable regulatory requirements, retention of sufficient reserves for future operations and capital requirements, contractual obligations, accounts payable and income taxes, and any obligations arising as a result of the future collection of the remaining amounts owed by Venezuela, if any, and any other factors the Board may consider and deem relevant at the time.

Description of Capital Structure

Class A Shares

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

Preferred shares

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

Share Purchase Options

We maintain the 2012 Equity Incentive Plan (the "2012 Plan") which provides for the grant of stock options on up to 8.75 million Class A Shares. As of April 8, 2021, 2,073,435 of those options had been exercised and there were 4,679,565 options outstanding and 1,997,000 options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSXV and as may be determined by a committee established pursuant to the 2012 Plan, or in certain cases, by the Board.

Market for Securities

The Class A Shares are traded in Canada on the TSXV under the symbol "GRZ" and quoted in the United States on the OTCQX under the symbol "GDRZF." The following table sets forth for the periods indicated the high and low sales prices of the Class A Shares as reported on the TSXV and the OTCQX during 2020.

	TSXV (Cdn \$)			OTCQX (U.S. \$)		
	High	Low	Volume	High	Low	Volume
January	2.24	1.94	96,500	1.77	1.50	184,400
February	2.35	2.00	58,300	1.77	1.58	232,000
March	2.29	1.90	233,600	1.71	1.33	2,293,200
April	2.45	1.90	145,700	1.75	1.39	961,700
May	2.40	2.15	63,200	1.71	1.45	353,200
June	2.38	2.16	294,100	1.75	1.51	592,500
July	2.51	2.22	151,400	1.95	1.65	276,500
August	2.70	2.03	72,000	2.02	1.63	449,700
September	2.47	2.19	298,200	1.90	1.54	1,030,900
October	2.30	1.65	148,500	1.71	1.23	629,500
November	2.20	1.50	72,500	1.69	1.17	297,800
December	2.16	1.86	929,900	1.67	1.45	2,489,300

On April 7, 2021, the closing price for the Class A Shares was Cdn \$1.83 per share on the TSXV and U.S. \$1.46 per share on the OTCQX. As of the date hereof, there were a total of 99,395,048 Class A Shares issued and outstanding.

Prior Sales

The only securities of the Company not listed or quoted on a marketplace are stock options, of which 260,000 were issued during the year-ended December 31, 2020.

Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

As of the date hereof, none of our securities were subject to escrow or contractual restrictions on transfer.

Directors and Officers

Our articles provide that the Board shall consist of a minimum of three and a maximum of fifteen directors, with the actual number of directors to be determined from time to time by the Board. The Board presently consists of seven members. Our by-laws provide that each director shall be appointed and/or elected to hold office, until our next annual meeting of Shareholders, or until their qualified successors are elected. All of the current directors' terms expire on the date of the next annual meeting.

The following table and notes thereto state the names of each of our directors and executive officers, the province or state and country of residence, all offices now held by such individual, their principal occupation, the period of time such individual has acted as a director or executive officer and the number of Class A Shares beneficially owned, or controlled or directed, directly or indirectly, by each such director or executive officer.

Name, Residence and Position	Principal Occupation during the last five years	Director and/or Officer Since	Number of Common Shares Beneficially Owned as of December 31, 2020	Percent of Class	(4) Committee Membership
James H. Coleman, Q.C. Alberta, Canada Executive Chairman and Director (2) (3) (4)	Mr. Coleman has been the Executive Chairman of the Company since 2016 and prior thereto was the non-Executive Chairman since 2004. He has also been a director of the Company and its predecessor Gold Reserve Corporation since 1994, and a lawyer and is counsel with the law firm of Norton Rose Fulbright Canada LLP. He has extensive international industry and public company experience as a result of his membership on the Board for over 25 years and has served on the board of directors of other mining issuers such as Amex Exploration Inc., Avion Gold Corporation and Endeavour Mining Corporation. He has also been a director of Siembra Minera since 2016, Great Basin Energies Inc. since 1996, and MGC Ventures, Inc. since 1997.	February 1994	783,138	*	A, B, E, F, I
Rockne J. Timm Washington, USA Chief Executive Officer and Director (2) (3) (4)	Mr. Timm has been a director of the Company for over 30 years and the Chief Executive Officer of the Company and its predecessor Gold Reserve Corporation for 30 years. Prior to his involvement with the Company, he was the Chief Financial Officer and Vice President of Finance of a mining company with six producing gold mines. Mr. Timm is also the President and director of Gold Reserve Corporation, Chief Executive Officer of GR Mining (Barbados) Inc. and GR Procurement (Barbados) Inc. since 2016. Mr. Timm has also been a director of Siembra Minera since 2016. In addition, Mr. Timm has been a director of Great Basin Energies, Inc. since 1981, and MGC Ventures, Inc. since 1989.	March 1984	1,530,040	1.5%	A, B

Name, Residence and Position	Principal Occupation during the last five years	Director and/or Officer Since	Number of Common Shares Beneficially Owned as of December 31, 2020	Percent of Class	(4) Committee Membership
A. Douglas Belanger Washington, USA President and Director (2) (3) (4)	Mr. Belanger is a geologist with significant industry experience who has been a director of the Company for over 30 years and the president of the Company for 15 years. Mr. Belanger also served as Executive Vice President from 1988 through 2004. He is also the Executive Vice president and director of Gold Reserve Corporation since 1988, a director of Siembra Minera, director and president of GR Mining (Barbados) Inc. and GR Procurement (Barbados) Inc. since 2016 and GR Mining Group (Barbados) Inc. since 2018, (the "Barbados Subsidiaries"). He has been Executive Vice President and director of Great Basin Energies Inc. since 1984 and MGC Ventures, Inc. since 1997.	August 1988	1,700,940	1.7%	A, C, D, E
James P. Geyer Washington, USA Independent Director	Mr. Geyer, who has a Bachelor of Science in Mining Engineering, has been a director of the Company for 23 years and has significant operating and mine project experience in gold and copper operations around the world, as well as public company experience resulting from his roles with the Company, Wheaton River Minerals Ltd., USMX Inc., Thompson Creek Metals Company Inc. ("Thompson Creek") (during which time Thompson Creek constructed and commissioned the Mount Milligan Mine) and Stonegate Agricom Ltd. Prior to the expropriation of the Brisas Project by Venezuela, Mr. Geyer was previously the Senior Vice President of the Company responsible for the development of the Brisas Project. Mr. Geyer also led the analysis on behalf of the Company of the Brisas Cristinas Project (now known as the Siembra Minera Project). Mr. Geyer has considerable knowledge of and experience with mining regulations in Venezuela.	June 1997	407,473	*	C, G, H
Yves M. Gagnon Ottawa, Ontario, Canada Independent Director	Former Ambassador Gagnon joined Global Affairs Canada in 1971. He retired from the public service in 2016 after 45 years of service. He has held positions of increasing importance including Canada's Ambassador to six countries including Venezuela and Cuba with a special emphasis on Latin America. He has also been a Senior Policy Advisor to Canada's Minister of State of Foreign Affairs and International Trade for the Americas. Mr. Gagnon has a BA in Arts (1968) and a B.Sc. in Political Science (1971) from Laval University and is a graduate of the National School of Administration (ENA) France (1977).	September 2020	-	*	H, I
Robert A. Cohen Massachusetts, USA Independent Director	Mr. Cohen retired as of October 1, 2016 from his position as a litigation partner in the international law firm Dechert LLP, and its predecessor firms, in the New York office.	August 2017	-	*	B, F

Name, Residence and Position	Principal Occupation during the last five years	Director and/or Officer Since	Number of Common Shares Beneficially Owned as of December 31, 2020	Percent of Class	(4) Committee Membership
James Michael Johnston ⁽¹⁾ Washington, USA Independent Director	Mr. Johnston co-founded Steelhead Partners, LLC in late 1996 to form and manage the Steelhead Navigator Fund. Prior, as senior vice president and senior portfolio manager at Loews Corporation, Mr. Johnston co-managed over \$5 billion in corporate bonds and also managed an equity portfolio. He began his investment career at Prudential Insurance as a high yield and investment-grade credit analyst. Mr. Johnston was promoted to co-portfolio manager of an \$11 billion fixed income portfolio in 1991. He graduated with honors from Texas Christian University with a degree in finance and completed his MBA at the Johnson Graduate School of Business at Cornell University.	August 2017	10,499,924	10.6%	G, H
Robert A. McGuinness ^{(2) (3)} Washington, USA Vice President Finance and Chief Financial Officer	Mr. McGuinness' principal occupation has been as Vice President of Finance of the Company since March 1993 and Chief Financial Officer since June 1993. He has also served as Vice President of Finance for Gold Reserve Corporation since 1993, Vice President of Finance and director of GR Mining (Barbados) Inc. and GR Procurement (Barbados) Inc. since 2016, Vice President of Finance and director of GR Mining Group (Barbados) Inc. since 2018, and Vice President of Finance, Chief financial Officer and Treasurer of Great Basin Energies, Inc. and MGC Ventures, Inc. since 1997.	March 1993	208,004	*	
Directors and officers as a group			15,443,641	15.5%	

*Indicates less than 1%

- (1) Mr. Johnston is a member and portfolio manager of Steelhead Partners, LLC, which acts as investment manager of Steelhead Navigator Master, L.P. and another client account that together hold 10,499,924 Class A Shares. As such, Mr. Johnston may be deemed to beneficially own the shares owned by these client accounts in that he may be deemed to have the power to direct the voting or disposition of these shares. Otherwise, Mr. Johnston disclaims beneficial ownership of these securities.
- (2) Messrs. Timm, Belanger, Coleman and McGuinness are directors and/or officers of Great Basin Energies, Inc. (OTC: GBEI), which owns 491,192 Class A Shares, or 0.5% of the outstanding Class A Shares. The foregoing individuals beneficially own 17.6%, 11.2%, 4.2% and 1.3%, respectively, of the outstanding common shares of Great Basin Energies, Inc. and may be deemed indirectly to have an interest in the Company through their respective management positions and/or ownership interests in Great Basin Energies, Inc. Each of the foregoing individuals disclaims any beneficial ownership of the Class A Shares owned by Great Basin Energies, Inc., and such Class A Shares are not included in this total.
- (3) Messrs. Timm, Belanger, Coleman and McGuinness are directors and/or officers of MGC Ventures, Inc. (OTC: MGCV), which owns 258,083 Class A Shares, or 0.3% of the outstanding Class A Shares. The foregoing individuals beneficially own 18.4%, 18.6%, 7.5% and 1.9%, respectively, of the outstanding common shares of MGC Ventures, Inc. and may be deemed indirectly to have an interest in the Company through their respective management positions and/or ownership interests in MGC Ventures, Inc. Each of the foregoing individuals disclaims any beneficial ownership of the Class A Shares owned by MGC Ventures, Inc., and such Class A Shares are not included in this total.
- (4) Members of the board of directors of Siembra Minera have not met, in person or telephonically, or otherwise attended to any company business since prior to August 2019.
(A) Executive Committee; (B) Legal Committee; (C) Mining Committee; (D) Financial Markets Committee; (E) Barbados Committee; (F) Nominating Committee; (G) Compensation Committee; (H) Audit Committee; (I) Special Committee.

Information concerning Class A Shares beneficially owned, or controlled or directed, directly or indirectly, is based on information provided to us by our directors and executive officers.

Corporate Cease Trade Orders

At the date of this Annual Information Form, none of our directors or executive officers is, or has been within ten years prior to the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company that:

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

Penalties or Sanctions

At the date of this Annual Information Form, none of our directors or executive officers or any Shareholder holding a significant number of our securities to materially affect control of us, is or has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Bankruptcies

None of our directors or executive officers, or a Shareholder holding a sufficient number of our securities to materially affect control of us:

- (i) other than as disclosed below is, at the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year that person ceased to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within the ten years prior to the date of this Annual Information Form become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Shareholder.

Mr. Coleman served as a director of Petrowest Corporation ("Petrowest") until May 18, 2017. On August 15, 2017, the banking syndicate of Petrowest obtained an order from the Alberta Court of Queen's Bench to place Petrowest into receivership. Mr. Coleman served as a director of Energold Drilling Corp. ("Energold") until October 7, 2019. On September 13, 2019, Energold obtained an initial order of the Supreme Court of British Columbia granting creditor protection under the Companies' Creditors Arrangement Act.

Audit Committee Information

Audit Committee Charter

The Board has a separately-designated standing Audit Committee for the purpose of overseeing our accounting and financial reporting processes and audits of our annual financial statements. The Audit Committee of the Board operates within a written mandate (the "Audit Committee Charter"), as approved by the Board, which describes the Committee's objectives and responsibilities. The full text of the Audit Committee Charter will be attached as Exhibit A to our proxy circular for our 2021 annual general and special meeting of Shareholders which, when available, will be posted under our profile at www.sedar.com and www.sec.gov or available at www.goldreserveinc.com under the Investor Relations page.

Composition of the Audit Committee

The Audit Committee is composed of the following three directors:

James Michael Johnston (Chair) James P. Geyer Yves M. Gagnon

The Board has determined each member of the Audit Committee to be "independent" and "financially literate" as such terms are defined under National Instrument 52-110 ("NI 52-110"). In addition, the Chair of the Committee, Mr. Johnston, is considered by the Board to qualify as an "audit committee financial expert," as defined by NI 52-110. The Board has made these determinations based on the education and experience of each member of the Committee, as outlined below.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee:

Mr. Johnston co-founded Steelhead Partners LLC in late 1996 to form and manage the Steelhead Navigator Fund. Prior thereto, as senior vice president and senior portfolio manager at Loews Corporation, Mr. Johnston co-managed over \$5 billion in corporate bonds and also managed an equity portfolio. He began his investment career at Prudential Insurance as a high yield and investment-grade credit analyst. Mr. Johnston was promoted to co-portfolio manager of an \$11 billion fixed income portfolio in 1991. He graduated with honors from Texas Christian University with a degree in finance and completed his MBA at the Johnson Graduate School of Business at Cornell University. Mr. Johnston has been a member of the Audit Committee since August 2017 and Chairman of the Audit Committee since September 2020.

Mr. Geyer has a Bachelor of Science in Mining Engineering from the Colorado School of Mines, has over 40 years of experience in underground and open pit mining and has held engineering and operations positions with a number of companies including AMAX and ASARCO. Previously, Mr. Geyer was the Senior Vice President of the Company responsible for the development of the Brisas Project and also led the analysis of the Brisas Cristinas Project (now known as the Siembra Minera Project) on behalf of the Company. Mr. Geyer is a former Director of Thompson Creek Metals Inc. where he was previously a member of the audit committee. Mr. Geyer has been a member of the Audit Committee since March 2015.

Mr. Gagnon joined Global Affairs Canada in 1971. He retired from the public service in 2016 after 45 years of service. He has held positions of increasing importance including Canada's Ambassador to six countries including Venezuela and Cuba with a special emphasis on Latin America. He has also been a Senior Policy Advisor to Canada's Minister of State of Foreign Affairs and International Trade for the Americas. Mr. Gagnon has a BA in Arts (1968) and a B.Sc. in Political Science (1971) from Laval University and is a graduate of the National School of Administration (ENA) France (1977). Mr. Gagnon has been a member of the Audit Committee since September 2020.

Independent Registered Public Accounting Firm Service Fees

Fees paid or payable to our independent registered public accounting firm, PricewaterhouseCoopers LLP, are detailed in the following table:

Fee category	(U.S.\$) Year Ended 2020	(U.S.\$) Year Ended 2019
Audit Fee	\$ 196,573	\$ 212,515
Tax Fees	7,658	32,090
Audit Related Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	\$ 204,231	\$ 244,605

The nature of the services provided by PricewaterhouseCoopers LLP under each of the categories indicated in the table is described below.

Audit Fees

Audit fees were for professional services rendered by PricewaterhouseCoopers LLP for the audit of our annual financial statements, the reviews of our quarterly financial statements and services provided in respect of other regulatory-required auditor attest functions associated with government audit reports, periodic reports and other documents filed with securities regulatory authorities.

Tax Fees

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

All Other Fees

There were no other fees paid or payable to PricewaterhouseCoopers LLP other than those disclosed above.

Pre-Approval Policies and Procedures

Our Audit Committee has adopted policies and procedures for the pre-approval of services performed by our external auditors, with the objective of maintaining the independence of the external auditors. Our policy requires that the Audit Committee pre-approve all audit, audit-related, tax and other permissible non-audit services to be performed by the external auditors, including all engagements of the external auditors with respect to our subsidiaries. Prior approval of engagements for services other than the annual audit may, as required, be approved by the Chair of the Audit Committee with the provision that such approvals be brought before the full Audit Committee at its next regular meeting. Our policy sets out the details of the permissible non-audit services consistent with the independence requirements of the United States Sarbanes-Oxley Act of 2002 and the Canadian independence standards for auditors. The Chief Financial Officer presents the details of any proposed assignments of the external auditor for consideration by the Audit Committee. The procedures do not include delegation of the Audit Committee's responsibilities to our management.

Conflicts of Interest

Our directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which we may participate, such individuals may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises the individual is required to abstain from participating in the deliberation or approval of such participation or such terms. In accordance with the laws of Alberta, Canada, the directors and officers are required to act honestly, in good faith and with a view to the best interests of the Company.

Our directors and officers are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures of conflicts of interest. All such conflicts will be disclosed by such directors and/or officers in accordance with the ABCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Our directors and officers are not aware of any such conflicts of interests.

Legal Proceedings and Regulatory Actions

See "Description of the Business – Arbitral Award, Settlement Agreement and Mining Data Sale" for a discussion of legal proceedings related to the Award. Except for the proceedings related to the Award, there were no legal proceedings, to which we are aware of or of which any of our property was the subject, since the beginning of the most recently completed financial year, nor were there any proceedings known by us to be contemplated, that involve a claim for damages exceeding 10% of our current assets. In addition, to the best of our knowledge, there were no:

- (i) penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2020;
- (ii) penalties or sanctions imposed by a court or regulatory body against us that would likely be considered important to a reasonable investor in making an investment decision; or
- (iii) settlement agreements entered into by us before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2020.

Interest of Management and Others in Material Transactions

Other than as disclosed herein, we are not aware of any material interest, direct or indirect, of any director, executive officer, or Shareholder that beneficially owns, or controls or directs, directly or indirectly more than 10% of our outstanding voting securities, or any associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year, that has materially affected us, or is reasonably expected to materially affect us.

Transfer Agents and Registrars

Our registrar and transfer agent is Computershare Trust Company, Inc. ("Computershare"). Computershare maintains the Company's register for the Class A Shares in Highlands Ranch, CO.

8742 Lucent Blvd, Suite 225
Highlands Ranch, CO 80129

8th Flr, 100 University Avenue
Toronto, Ontario Canada M5J 2Y1

Material Contracts

Except as set forth below, the Company did not enter into any contract during the most recently completed financial year, and has not entered into any contract since January 1, 2021 that is still in effect, that may be considered material to the Company, other than material contracts entered into in the ordinary course of business not required to be filed under National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102").

Settlement Agreement

In July 2016, we signed the Settlement Agreement pursuant to which Venezuela agreed to pay us the Award and purchase the Mining Data. Under the terms of the Settlement Agreement, Venezuela agreed to pay the Company \$792 million to satisfy the Award and \$240 million for the purchase of the Mining Data for a total of approximately \$1.032 billion in monthly installments. The first \$240 million received by Gold Reserve from Venezuela was related to the sale of the Mining Data (See "Description of the Business – Arbitral Award, Settlement Agreement and Mining Data Sale").

Mixed Company Agreement

In August 2016, we executed an agreement with the government of Venezuela to form Siembra Minera, the entity whose purpose is to develop the Siembra Minera Project. Siembra Minera is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation and 45% by Gold Reserve (See "Properties– Siembra Minera Project").

Interests of Experts

There is no person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102, by us during, or related to, our most recently completed financial year and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, other than PricewaterhouseCoopers LLP, Richard J. Lambert, P.E., P.Eng., José Texidor Carlsson, P.Geo., Grant A. Malensek, P.Eng., Hugo Miranda, C.P. and Kathleen A. Altman, Ph.D., P.E. each of whom is independent of the Company.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, has advised us that they are independent with respect to us within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct, the meaning of the Securities Acts administered by the SEC and relevant legislation and the requirements of the Public Company Accounting Oversight Board (United States).

In March 2018, a technical report with respect to the PEA of the Siembra Minera Gold Copper Project in accordance with NI 43-101 was filed by the Company. The Qualified Persons (as defined in NI 43-101) in respect of the PEA who have reviewed, verified and approved such information are Richard J. Lambert, P.E., P.Eng., José Texidor Carlsson, P.Geo., Grant A. Malensek, P.Eng., Hugo Miranda, C.P., and Kathleen A. Altman, Ph.D., P.E. To the best of our knowledge as of the date hereof, the aforementioned persons own, directly or indirectly, less than 1% of our securities. In addition, none of the aforementioned persons is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

Additional Information

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Additional financial information is provided in our audited consolidated financial statements for the year ended December 31, 2020 and Managements' Discussion and Analysis for the most recently completed financial year, both of which are also available, on the aforementioned websites. Information, including information relating to directors' and officers' remuneration and indebtedness, principal holders of our securities, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions, where applicable, will be contained in the proxy circular for our 2021 annual general and special meeting.

Exhibit 99.2 – Audited Consolidated Financial Statements

Management's Annual Report on Internal Control over Financial Reporting

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

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

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

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

Management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2020 based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ Rockne J. Timm
Chief Executive Officer
April 8, 2021

/s/ Robert A. McGuinness
Vice President-Finance and Chief Financial Officer
April 8, 2021

Report of Independent Registered Public Accounting Firm

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

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Gold Reserve Inc. and its subsidiaries (together, the Company) as of December 31, 2020 and 2019, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

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

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

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

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Recognition of the receivable associated with the Venezuelan arbitration

As described in Notes 1 and 3 to the consolidated financial statements, in July 2016, the Company signed the July 2016 settlement agreement, (as amended, the "Settlement Agreement") with the Bolivarian Republic of Venezuela ("Venezuela"), whereby Venezuela agreed to pay the Company a total of approximately \$1.032 billion which is comprised of \$792 million to satisfy the arbitral award (the "Award") (including interest) and \$240 million for the purchase of the Company's mining data related to the Brisas project (the "Mining Data") to be settled in a series of payments ending on or before June 15, 2019. The Company has received approximately \$254 million pursuant to the Settlement Agreement with the remainder unpaid. As specified in the Settlement Agreement, the first \$240 million received by the Company from Venezuela has been recognized as proceeds from the sale of the Mining Data. Any future payments received by Venezuela are made in relation to the Award. As of December 31, 2020, the amount owing to the Company in relation to the Award is approximately \$778 million, excluding interest. The Company has not recognized an Award receivable or associated liabilities which include taxes, bonus plan and contingent value right payments in accordance with the Settlement Agreement, as management has not yet determined that payment from Venezuela is probable. The Award receivable and any associated liabilities will be recognized when, in management's judgment, it is probable that payment from Venezuela will occur.

The principal considerations for our determination that performing procedures relating to the recognition of the receivable associated with the Venezuelan arbitration is a critical audit matter is that there was significant judgment made by management when determining if recognition was required, which in turn led to a higher degree of subjectivity in performing audit procedures to evaluate management's assessment of the probability of future payments from Venezuela.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's process of assessing the basis for recognizing the Award receivable and associated liabilities under the Settlement Agreement. These procedures also included, among others, evaluating how management formulated their judgement as to the likelihood of future payments being made by Venezuela. This included considering publicly available information such as sanctions imposed against Venezuela by both the United States and Canadian governments, the current economic and political instability in Venezuela and the history of non-payment by Venezuela under the terms of the Settlement Agreement.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
April 8, 2021

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

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

	December 31, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 4)	\$ 57,415,350	\$ 61,822,137
Marketable securities (Note 5)	83,575	177,945
Income tax receivable (Note 10)	8,682,839	10,798,291
Prepaid expense and other	573,411	747,872
Total current assets	66,755,175	73,546,245
Property, plant and equipment, net (Note 6)	2,514,552	6,470,722
Right of use asset	165,576	251,984
Total assets	\$ 69,435,303	\$ 80,268,951
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses (Note 3)	\$ 780,925	\$ 728,790
Lease liability	92,819	85,516
Contingent value rights (Note 3)	60,242	—
Total current liabilities	933,986	814,306
Lease liability	77,093	169,911
Total liabilities	1,011,079	984,217
SHAREHOLDERS' EQUITY		
Serial preferred stock, without par value		
Authorized:	Unlimited	
Issued:	None	
Common shares (Note 11)	302,469,647	302,469,647
Class A common shares, without par value		
Authorized:	Unlimited	
Issued and outstanding:	2020...99,395,048	2019...99,395,048
Contributed surplus	20,625,372	20,625,372
Stock options (Note 9)	21,409,668	20,752,893
Accumulated deficit	(276,080,463)	(264,563,178)
Total shareholders' equity	68,424,224	79,284,734
Total liabilities and shareholders' equity	\$ 69,435,303	\$ 80,268,951

Contingencies (Note 3)

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

Approved by the Board of Directors:

/s/ James Michael Johnston

/s/ James P. Geyer

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

	For the Years Ended	
	December 31,	
	2020	2019
INCOME (LOSS)		
Interest income	294,277	1,290,565
Loss on disposition of property, plant and equipment (Note 6)	(30,476)	—
Gain (loss) on marketable equity securities	5,756	(109,693)
Foreign currency gain	24,100	418,877
	<u>293,657</u>	<u>1,599,749</u>
EXPENSES		
Corporate general and administrative (Notes 3 and 9)	5,147,333	5,306,335
Contingent value rights (Note 3)	59,549	262,549
Siembra Minera Project costs (Note 7)	1,568,741	5,190,833
Write-down of property, plant and equipment (Note 6)	3,749,531	6,067,967
Exploration costs	73,683	36,078
Legal and accounting	698,810	1,386,898
Arbitration and settlement (Note 3)	1,132,291	406,337
Equipment holding costs	470,364	437,557
	<u>12,900,302</u>	<u>19,094,554</u>
Net loss before income tax benefit	(12,606,645)	(17,494,805)
Income tax benefit (Note 10)	1,089,360	4,347,907
	<u>\$ (11,517,285)</u>	<u>\$ (13,146,898)</u>
Net loss and comprehensive loss for the year		
	<u>\$ (0.12)</u>	<u>\$ (0.13)</u>
Weighted average common shares outstanding		
Basic	99,395,048	99,395,048
Diluted	<u>99,395,048</u>	<u>99,395,048</u>

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

GOLD RESERVE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2020 and 2019
(Expressed in U.S. dollars)

	Common Shares		Contributed Surplus	Stock Options	Accumulated Deficit
	Number	Amount			
Balance, December 31, 2018	99,395,048	\$ 378,009,884	\$ 20,625,372	\$ 20,721,850	\$(251,416,280)
Net loss for the year	—	—	—	—	(13,146,898)
Stock option compensation (Note 9)	—	—	—	31,043	—
Return of capital (Note 11)	—	(75,540,237)	—	—	—
Balance, December 31, 2019	99,395,048	302,469,647	20,625,372	20,752,893	(264,563,178)
Net loss for the year	—	—	—	—	(11,517,285)
Stock option compensation (Note 9)	—	—	—	656,775	—
Balance, December 31, 2020	99,395,048	\$ 302,469,647	\$ 20,625,372	\$ 21,409,668	\$(276,080,463)

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

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

	For the Years Ended	
	December 31,	
	2020	2019
Cash Flows from Operating Activities:		
Net loss for the year	\$ (11,517,285)	\$ (13,146,898)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock option compensation	656,775	31,043
Depreciation	124,267	131,594
Write-down of property, plant and equipment	3,749,531	6,067,967
Loss on disposition of property, plant and equipment	30,476	—
Loss (gain) on marketable equity securities	(5,756)	109,693
Income tax recovery	(1,089,360)	(4,347,907)
Changes in non-cash working capital:		
Decrease in income tax receivable	3,204,812	—
Net decrease (increase) in prepaid expense and other	174,461	860,826
Net increase in accounts payable and accrued expenses	113,270	19,713
Net cash used in operating activities	<u>(4,558,809)</u>	<u>(10,273,969)</u>
Cash Flows from Investing Activities:		
Proceeds from disposition of marketable equity securities	100,126	—
Proceeds from sale of property, plant and equipment	98,649	—
Purchase of property, plant and equipment	(46,753)	(10,010)
Net cash provided by (used in) investing activities	<u>152,022</u>	<u>(10,010)</u>
Cash Flows from Financing Activities:		
Return of capital	—	(75,540,237)
Net cash used in financing activities	<u>—</u>	<u>(75,540,237)</u>
Change in Cash and Cash Equivalents:		
Net decrease in cash and cash equivalents	(4,406,787)	(85,824,216)
Cash and cash equivalents - beginning of year	61,822,137	147,646,353
Cash and cash equivalents - end of year	<u>\$ 57,415,350</u>	<u>\$ 61,822,137</u>

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

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

Note 1. The Company and Significant Accounting Policies:

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

Gold Reserve Inc. is the successor issuer to Gold Reserve Corporation which was incorporated in 1956. Management's primary activities are focused on the execution of the July 2016 settlement agreement, (as amended, the "Settlement Agreement") with the Bolivarian Republic of Venezuela ("Venezuela") in regards to the payment of the Award (as defined herein) and the acquisition of our Mining Data by Venezuela, identifying our legal options associated with the collection of the unpaid balance of the Award and developing our future operational strategies associated with post-sanctions development of the Siembra Minera Project.

The U.S. and Canadian governments have imposed various sanctions targeting Venezuela (the "Sanctions"). The Sanctions implemented by the U.S. government generally block all property of the Venezuelan government and state-owned/controlled entities such as Siembra Minera. In addition, U.S. Sanctions prohibit U.S. Persons (as defined by U.S. Sanction statutes) from dealing with Specially Designated Nationals ("SDNs") and targets corruption in, among other identified sectors, the gold sector of the Venezuela economy. The Sanctions implemented by the Canadian government generally include asset freezes and impose prohibitions on dealings, by Canadian entities and/or citizens as well as other individuals in Canada, with certain named Venezuelan officials under the Special Economic Measures (Venezuela) Regulations of the *Special Economic Measures Act and the Justice for Victims of Corrupt Foreign Officials Regulations of the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*. In addition, on March 26, 2020, the U.S. government indicted Venezuelan President Nicolas Maduro and a number of key associates for human rights abuses and drug trafficking. (See Note 3, Arbitral Award, Settlement Agreement and Mining Data Sale and Note 7, Empresa Mixta Ecosocialista Siembra Minera, S.A.).

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

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

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

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

Property, Plant and Equipment. Property, plant and equipment is recorded at cost and are depreciated on a straight-line basis over their estimated useful lives, except for equipment not yet placed into use. Included in property, plant and equipment is certain equipment, relating to the Brisas Project that is not being depreciated as it is not in use. The ultimate recoverable value of this equipment may be different than management's current estimate. We have additional property, plant and equipment which are recorded at cost less accumulated depreciation. Replacement costs and major improvements are capitalized. Maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets retired or sold are removed from the accounts and any resulting gain or loss is reflected in operations. Furniture, office equipment and leasehold improvements are depreciated using the straight-line method over five to ten years. The remaining property, plant and equipment are fully depreciated.

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

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

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

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

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

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

Marketable Securities. The Company's marketable securities consist of equity securities, which are reported at fair value with changes in fair value included in the statement of operations.

Equity accounted investments. Investments in incorporated entities in which the Company has the ability to exercise significant influence over the investee are accounted for by the equity method.

Financial Instruments. Marketable securities are measured at fair value at each reporting date, with the change in value recognized in the statement of operations as a gain or loss. Cash and cash equivalents, deposits, advances and receivables are accounted for at amortized cost which approximates fair value. Accounts payable and contingent value rights are recorded at amortized cost which approximates fair value.

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

Note 2. New Accounting Policies:

Recently issued accounting pronouncements

In January 2020, the FASB issued ASU 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815). This update is intended to clarify certain interactions between Topics which guide the accounting for certain equity securities and investments under the equity method of accounting. These amendments improve current GAAP by reducing diversity in practice and increasing comparability of the accounting for these interactions. This update is effective for us commencing with the annual period beginning after December 15, 2020, including interim periods within that year. The adoption of this standard will not have a significant impact on our financial statements.

Note 3. Arbitral Award, Settlement Agreement and Mining Data Sale:

In October 2009 we initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes ("ICSID") to obtain compensation for the losses caused by the actions of Venezuela that terminated our previous mining project known as the "Brisas Project." On September 22, 2014, we were granted an Arbitral Award (the "Award") totaling \$740.3 million.

In July 2016, we signed the Settlement Agreement, subsequently amended, whereby Venezuela agreed to pay us a total of approximately \$1.032 billion which is comprised of \$792 million to satisfy the Award (including interest) and \$240 million for the purchase of our mining data related to the Brisas Project (the "Mining Data") and was to be settled in a series of payments ending on or before June 15, 2019. As agreed, the first \$240 million received by Gold Reserve from Venezuela has been recognized as proceeds from the sale of the Mining Data.

To date, the Company has received payments of approximately \$254 million pursuant to the Settlement Agreement. The remaining unpaid amount due from Venezuela pursuant to the Settlement Agreement, which is now delinquent, totals approximately \$900 million (including interest of approximately \$122 million) as of December 31, 2020. In relation to the unpaid amount due from Venezuela, the Company has not recognized an Award receivable or associated liabilities which include taxes, bonus plan and contingent value right payments in accordance with the Settlement Agreement, as management has not yet determined that payment from Venezuela is probable. The Award receivable and any associated liabilities will be recognized when, in management's judgment, it is probable that payment from Venezuela will occur.

The interest rate provided for on any unpaid amounts pursuant to the Award is specified as LIBOR plus two percent. In 2017, U.K.'s Financial Conduct Authority announced that LIBOR will be phased out of existence as a dependable index for variable interest rates no later than December 31, 2021. Working groups assembled by the U.S. Federal Reserve have identified the Secured Overnight Funding Rate ("SOFR") as the preferred replacement for LIBOR. If and when it is possible to engage with the Venezuelan government, we plan to negotiate with Venezuela as to an appropriate replacement or, alternatively, petition the court responsible for the enforcement of our Award judgement to rule on a new interest rate benchmark. There is no assurance that we will be successful in such efforts.

In addition to other constraints, the Sanctions restrict the Company from working with those Venezuelan government officials responsible for the payment and transfer of funds associated with the Settlement Agreement which adversely impacts our ability to collect the remaining balance of the Award plus interest and/or amounts due pursuant to the Settlement Agreement from Venezuela. The Company, with counsels' assistance, continues to evaluate and pursue various options in regard to the Award and the Settlement Agreement.

In March 2020, the U.S. Congress passed legislation which allows companies to carryback net operating losses incurred in 2018, 2019 and 2020 to offset income earned in prior years. In response to this legislation, management reduced its estimate of the U.S. related income tax due on amounts received in 2018 from the sale of Mining Data. The effect of this change in estimate was to increase the net proceeds subject to the CVR and the Bonus Plan and as a result, the Company recorded an increase in its obligation to the CVR holders and Bonus Plan participants by approximately \$60 thousand and \$70 thousand, respectively.

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

We have Contingent Value Rights ("CVRs") outstanding that entitle the holders to an aggregate of 5.466% of certain proceeds from Venezuela associated with the collection of the Award and/or sale of Mining Data or an enterprise sale (the "Proceeds"), less amounts for certain specified obligations (as defined in the agreement), as well as a bonus plan as described below. As of December 31, 2020, the total cumulative estimated obligation due pursuant to the terms of the CVR from the sale of the Mining Data and collection of the Award was approximately \$10.0 million, of which approximately \$60 thousand remains payable to CVR holders.

We maintain a bonus plan (the "Bonus Plan") which is intended to compensate the participants, including executive officers, employees, directors and consultants for their past and present contributions to the Company. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized less applicable taxes multiplied by 1.28% of the first \$200 million and 6.4% thereafter. As of December 31, 2020, the total cumulative estimated obligation pursuant to the terms of the Bonus Plan from the sale of the Mining Data and collection of the Award was approximately \$4.4 million, of which approximately \$70 thousand remains payable to Bonus Plan participants.

Due to U.S. and Canadian Sanctions and the uncertainty of transferring the remaining amounts due from Venezuela to bank accounts outside of Venezuela, management only considers those funds received by the Company into its North American bank accounts as funds available for purposes of the CVR and Bonus Plan cash distributions.

Following receipt, if any, of additional funds pursuant to the Settlement Agreement and after applicable payments to CVR holders and Bonus Plan participants, we expect to distribute to our shareholders a substantial majority of any remaining amounts, subject to applicable regulatory requirements and retaining sufficient reserves for operating expenses, contractual obligations, accounts payable and income taxes, and any obligations arising as a result of the collection of the remaining amount owed by Venezuela (See Note 11, Return of Capital).

Note 4. Cash and Cash Equivalents:

	December 31, 2020	December 31, 2019
Bank deposits	\$ 9,457,061	\$ 31,499,893
Short term investments	47,958,289	30,322,244
Total	<u>\$ 57,415,350</u>	<u>\$ 61,822,137</u>

Short term investments include money market funds and US treasury bills which mature in three months or less.

Note 5. Marketable Securities:

	December 31, 2020	December 31, 2019
<u>Equity securities</u>		
Fair value and carrying value at beginning of year	\$ 177,945	\$ 287,638
Increase (decrease) in fair value	5,756	(109,693)
Disposals during the year	(100,126)	—
Fair value and carrying value at balance sheet date	<u>\$ 83,575</u>	<u>\$ 177,945</u>

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

Marketable equity securities are classified as trading securities and accounted for at fair value, based on quoted market prices with unrealized gains or losses recorded in the Consolidated Statements of Operations.

Accounting Standards Codification ("ASC") 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities, Level 2 inputs are inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability and Level 3 inputs are unobservable inputs for the asset or liability that reflect the entity's own assumptions. The fair values of the Company's marketable equity securities as at the balance sheet date are based on Level 1 inputs.

Note 6. Property, Plant and Equipment:

	Cost	Accumulated Depreciation	Net
December 31, 2020			
Machinery and equipment	\$ 1,858,959	\$ –	\$ 1,858,959
Furniture and office equipment	421,432	(286,083)	135,349
Transportation equipment	326,788	(165,338)	161,450
Leasehold improvements	29,390	(20,596)	8,794
Mineral property	350,000	–	350,000
	<u>\$ 2,986,569</u>	<u>\$ (472,017)</u>	<u>\$ 2,514,552</u>

	Cost	Accumulated Depreciation	Net
December 31, 2019			
Machinery and equipment	\$ 5,609,567	\$ –	\$ 5,609,567
Furniture and office equipment	479,579	(360,224)	119,355
Transportation equipment	491,025	(132,827)	358,198
Leasehold improvements	51,658	(18,056)	33,602
Mineral property	350,000	–	350,000
	<u>\$ 6,981,829</u>	<u>\$ (511,107)</u>	<u>\$ 6,470,722</u>

Machinery and equipment consists of infrastructure equipment and a semi-autogenous grinding (SAG) mill originally intended for use on the Brisas Project. We evaluate our equipment to determine whether events or changes in circumstances have occurred that may indicate that the carrying amount may not be recoverable. We regularly obtain comparable market data for similar equipment as evidence that fair value less cost to sell is in excess of the carrying amount. During the fourth quarter of 2020, the Company determined that the value of the motor for the SAG mill had declined to the extent that it should be disposed of in order to reduce equipment holding cost and accordingly it was written down to scrap value. The Company recorded impairment write-downs of property, plant and equipment of \$3.7 million and \$6.1 million during the years ended December 31, 2020 and 2019, respectively. Additionally, during the year ended December 31, 2020, the Company disposed of property, plant and equipment with a carrying value of \$129,125 and recorded a loss of \$30,476.

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

Note 7. Empresa Mixta Ecosocialista Siembra Minera, S.A.:

In October 2016, together with an affiliate of the government of Venezuela, we established Siembra Minera. The primary purpose of this entity is to develop the Siembra Minera Project, as defined below.

Siembra Minera is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation, and 45% by Gold Reserve. Siembra Minera (pursuant to the agreement which governs the formation and operation of Siembra Minera) holds certain gold, copper, silver and other strategic mineral rights (primarily comprised of the Brisas and Las Cristinas concessions) contained within Bolivar State comprising the Siembra Minera Project (which has a twenty year term with two ten year extensions) and is, among other things authorized, via current or future Presidential Decrees and Ministerial resolutions, to carry on its business, pay a net smelter return royalty to Venezuela on the future sale of gold, copper, silver and any other strategic minerals over the life of the Siembra Minera Project and provide net profits participation based on the sales price of gold per ounce. A number of authorizations, which still have not been provided by the current administration, are critical to the future operation and economics of the Siembra Minera Project. Pursuant to the Settlement Agreement, both parties will retain their respective interest in Siembra Minera in the event all of the agreed upon Settlement Agreement payments are not made by Venezuela.

On March 16, 2018, the Company announced the completion of a technical report for the Preliminary Economic Assessment ("PEA") for the Siembra Minera Project in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects which included, among other information, resource estimates, pit design, mine plan, flowsheet design, design criteria, project layout, infrastructure requirements, capital and operating estimates. The Company has directly incurred the costs associated with the Siembra Minera Project Minera which, beginning in 2016 through December 31, 2020, amounted to a total of approximately \$21.0 million. The Siembra Minera Project expenditures primarily include costs associated with the completion of the PEA that included a number of engineering, environmental and social third party advisors as well as costs associated with a number of social work programs in the vicinity of the Siembra Minera Project, which are expensed as incurred and classified within "Siembra Minera Project Costs" in the Consolidated Statements of Operations. Project expenditures incurred in 2020 include costs associated with the preservation of our technical competency through the retention of technical consultants, work related to compliance and reporting obligations, maintenance of the technical data base, and ongoing costs of social work programs.

In addition to other constraints, the Sanctions restrict the Company from working with those Venezuelan government officials responsible for the operation of Siembra Minera and the development of the Siembra Minera Project which, until Sanctions are lifted, obstructs our ability to develop the Siembra Minera Project as originally planned.

Note 8. KSOP Plan:

The KSOP Plan was originally adopted in 1990 and was most recently restated effective January 1, 2017. The purpose of the KSOP Plan is to offer retirement benefits to eligible employees of the Company. The KSOP Plan provides for a salary deferral or "401(k)" component, a non-elective contribution of 3% of each eligible Participant's annual compensation and discretionary contributions. Allocation of Class A common shares or cash to participants' accounts, subject to certain limitations, is at the discretion of the Board. In the 2020 Plan year, the Compensation Committee of the Board recommended that Class A common shares with a fair value of approximately \$170,000 be contributed to participants in the KSOP Plan. The shares are expected to be contributed to participants in April 2021. During the 2019 Plan year, the Company made cash contributions to Plan participants totaling approximately \$171,000.

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Note 9. Stock Based Compensation Plans:

Equity Incentive Plan

The Company's equity incentive plan provides for the grant of stock options to purchase up to a maximum of 8,750,000 of the Class A common shares. As of December 31, 2020, there were 2,047,000 options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSXV and as may be determined by a committee of the Board established pursuant to the equity incentive plan.

Stock option transactions for the years ended December 31, 2020 and 2019 are as follows:

	2020		2019	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding - beginning of period	4,369,565	\$ 3.09	4,554,565	\$ 3.11
Options granted	260,000	1.72		
Options expired	-	-	(185,000)	3.43
Options outstanding - end of period	4,629,565	\$ 2.36	4,369,565	\$ 3.09

The following table relates to stock options at December 31, 2020:

Outstanding Options					Exercisable Options			
Exercise Price	Number	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)	Number	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
\$1.70 - \$1.93	829,922	\$1.82	\$ -	4.23	739,921	\$1.84	\$ -	3.56
\$2.39 - \$2.39	3,369,643	\$2.39	-	6.13	3,369,643	\$2.39	-	6.13
\$3.15 - \$3.26	430,000	\$3.21	-	3.95	430,000	\$3.21	-	3.95
\$1.70 - \$3.26	4,629,565	\$2.36	\$ -	5.59	4,539,564	\$2.38	\$ -	5.50

In the third quarter of 2020, in order to reflect the decrease in the market price of the Class A Shares as a result of the return of capital transaction that was completed in 2019, the Company reduced the exercise price of 4,369,565 previously granted options of 17 option holders. The exercise price was reduced to the higher of: (i) the original exercise price of each option less \$0.76; or (ii) the closing price on the principal market of the Class A Shares on the day prior to the re-pricing becoming effective. Approval of Shareholders was given with respect to the stock options granted to Company insiders. The re-pricing was accounted for as a modification under ASC 718 and the Company recorded non-cash compensation expense of approximately \$500,000 which represents the increase in the fair value of the options as a result of the re-pricing.

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The Company granted 260,000 and NIL options during the years ended December 31, 2020 and 2019, respectively. The Company recorded non-cash compensation during years ended December 31, 2020 and 2019 of approximately \$700,000 and \$31,000, respectively for stock options granted in current and prior periods.

The weighted average fair value of the options granted in 2020 was calculated as \$0.72. The fair value of options granted was determined using the Black-Scholes model based on the following weighted average assumptions:

Risk free interest rate	0.26%
Expected term	5.0 years
Expected volatility	49%
Dividend yield	nil

The risk free interest rate is based on the US Treasury rate on the date of grant for a period equal to the expected term of the option. The expected term is based on historical exercise experience and projected post-vesting behavior. The expected volatility is based on historical volatility of our common stock over a period equal to the expected term of the option.

Change of Control Agreements

The Company maintains change of control agreements with certain officers and employees. A Change of Control is generally defined as one or more of the following: the acquisition by any individual, entity or group, of beneficial ownership of 25 percent of the voting power of the Company's outstanding Common Shares; a change in the composition of the Board that causes less than a majority of the current directors of the Board to be members of the incoming board; reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company; liquidation or dissolution of the Company; or any other event the Board reasonably determines constitutes a Change of Control. As of December 31, 2020, the amount payable under the change of control agreements, in the event of a Change of Control, was approximately \$6.7 million, which has not been recognized herein as no event of a change of control has been triggered as of the date of this report

Note 10. Income Tax:

Income tax benefit for the years ended December 31, 2020 and 2019 differs from the amount that would result from applying Canadian tax rates to net income before taxes. These differences result from the items noted below:

	2020		2019	
	Amount	%	Amount	%
Income tax benefit based on Canadian tax rates	\$ 3,151,661	25	\$ 4,373,701	25
Increase (decrease) due to:				
Different tax rates on foreign subsidiaries	(382,207)	(3)	(305,766)	(2)
Non-deductible expenses	(155,633)	(1)	(81,592)	-
Worthless subsidiary stock write-off	-		4,347,907	25
Change in valuation allowance and other	(1,524,461)	(12)	(3,986,343)	(23)
	<u>\$ 1,089,360</u>	<u>9</u>	<u>\$ 4,347,907</u>	<u>25</u>

GOLD RESERVE INC.
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The Company recorded income tax benefit of \$1.1 million and \$4.3 million for the years ended December 31, 2020 and 2019, respectively. We have recorded a valuation allowance to reflect the estimated amount of the deferred tax assets which may not be realized, principally due to the uncertainty of utilization of net operating losses and other carry forwards prior to expiration. The valuation allowance for deferred tax assets may be reduced in the near term if our estimate of future taxable income changes. As part of the US government response to the COVID-19 pandemic, the U.S. Congress passed the CARES act in late March 2020 which, among other things, allows companies to carryback losses incurred in 2018, 2019 and 2020. The Company's U.S. taxable losses incurred in 2020 and 2019 will be carried back to offset taxable income in 2018. The Company has an income tax receivable of \$8.7 million related to the carryback of losses as noted above and prior year overpayments including \$4.3 million recorded during the year ended December 31, 2019, resulting from revisions to management's estimates of the timing and amount of deductions available to the Company's U.S. subsidiary associated with the write-off of certain subsidiaries primarily related to the Company's previous investment in the Brisas Project.

The components of the Canadian and U.S. deferred income tax assets and liabilities as of December 31, 2020 and 2019 were as follows:

	December 31,	
	2020	2019
Deferred income tax assets		
Net operating loss carry forwards	\$ 35,650,114	\$ 34,569,939
Property, Plant and Equipment	5,676,072	4,742,961
Other	1,638,122	1,623,503
	42,964,308	40,936,403
Valuation allowance	(42,958,243)	(40,915,022)
	\$ 6,065	\$ 21,381
Deferred income tax liabilities		
Other	(6,065)	(21,381)
Net deferred income tax asset	\$ -	\$ -

At December 31, 2020, we had the following Canadian tax loss carry forwards stated in U.S. dollars.

	Expires
\$ 2,049,189	2026
3,803,028	2027
14,495,410	2028
13,737,408	2029
16,971,803	2030
19,004,491	2031
5,514,008	2032
8,016,234	2033
9,288,022	2034
13,257,966	2035
15,762,327	2036
11,886,957	2037
1,137,549	2038
2,964,778	2039
4,711,285	2040
<u>\$ 142,600,455</u>	

GOLD RESERVE INC.
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Note 11. Return of Capital:

In June 2019, the Company completed a return of capital transaction by way of a court-approved plan of arrangement transaction under the *Business Corporations Act* (Alberta) which required approval by the Alberta Court of Queen's Bench and at least two-thirds of the votes of shareholders. Pursuant to the plan of arrangement, the Company returned to holders of its Class A common shares approximately \$76 million or \$0.76 per Class A Share.

Exhibit 99.3 Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of Gold Reserve Inc. and its subsidiaries (collectively "Gold Reserve", the "Company", "we", "us", or "our") is intended to assist in understanding and assessing our results of operations and financial condition and should be read in conjunction with the audited consolidated financial statements as at and for the years ended December 31, 2020 and 2019, the related notes contained therein as well as the 2019 MD&A. This MD&A has been approved by our Board of Directors (the "Board") and is dated April 8, 2021. Additional information relating to Gold Reserve, including its Annual Information Form, is available under the Company's profile on SEDAR at www.sedar.com.

CURRENCY

Unless otherwise indicated, all references to "\$", "U.S. \$" or "U.S. dollars" in this MD&A refer to U.S. dollars and references to "Cdn\$" or "Canadian dollars" refer to Canadian dollars. The 12-month average rate of exchange for one Canadian dollar, expressed in U.S. dollars, for each of the last two calendar years equaled 0.7455 and 0.7537, respectively, and the exchange rate at the end of each such period equaled 0.7841 and 0.7715, respectively.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

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

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

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

- risks associated with the substantial concentration of our activities and assets in the Bolivarian Republic of Venezuela ("Venezuela") which are and will continue to be subject to risks specific to Venezuela, including the effects of political, economic and social developments, social instability and unrest; international response to Venezuelan domestic and international policies; Sanctions by the U.S. or Canadian governments or other jurisdictions and potential invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights either by the existing or a future administration or power, de jure or de facto;
- risks associated with sanctions imposed by the U.S. and Canadian governments targeting Venezuela (the "Sanctions"):
 - Sanctions imposed by the U.S. government generally block all property of the government of Venezuela and prohibit the Company and its directors, management and employees (who are considered U.S. Persons as defined by U.S. Sanction statutes) from dealing with the Venezuelan government and/or state-owned/controlled entities, entering into certain transactions or dealing with Specially Designated Nationals ("SDNs") and target corruption in, among other identified sectors, the gold sector of the Venezuelan economy,

- Sanctions imposed by the Canadian government include asset freezes and prohibitions on dealings, by Canadian entities and/or citizens as well as other individuals in Canada, with certain named Venezuelan officials under the Special Economic Measures (Venezuela) Regulations of the *Special Economic Measures Act and the Justice for Victims of Corrupt Foreign Officials Regulations of the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*,
 - Sanctions have adversely impacted our ability to collect the remaining funds owed by Venezuela and our ability to finance, develop and operate the Siembra Minera Project, which is expected to continue for an indeterminate period of time;
- risks that U.S. and Canadian government agencies that enforce Sanctions may not issue licenses that the Company may request in the future to engage in certain Venezuela-related transactions;
- risks associated with the continued failure by Venezuela to honor its remaining commitments under the Settlement Agreement (as defined herein). As of the date of this report, Venezuela still owes the Company an estimated \$900 million (including interest of approximately \$122 million) related to the original settlement obligation of approximately \$1.032 billion, which was payable in a series of monthly payments ending on or before June 15, 2019 (the "Settlement Agreement");
- risks associated with our ability to resume our efforts to enforce and collect the September 2014 arbitral award granted pursuant to the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes (the "Award"), including the associated costs of enforcement and collection efforts and the timing and success of that effort, if Venezuela ultimately fails to honor its commitments pursuant to the Settlement Agreement, it is terminated and further efforts related to executing the Settlement Agreement are abandoned;
- risks associated with the announced phase out of the LIBOR in December 2021 and our ability, if and when it is possible to engage with the Venezuelan government, to either agree with Venezuela on a new interest benchmark or, alternatively, petition the court responsible for the enforcement of our Award judgement to rule on a new benchmark;
- risks associated with Venezuela's failure to honor its remaining commitments associated with the formation and operation of Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera") (a company formed to develop the Siembra Minera Project (as defined herein) which is comprised of certain gold, copper, silver and other strategic mineral rights located in Bolivar State, Venezuela);
- risks associated with the ability of the Company and Venezuela to (i) successfully overcome legal or regulatory obstacles to operate Siembra Minera for the purpose of developing the Siembra Minera Project, (ii) complete any additional definitive documentation and finalize remaining governmental approvals and (iii) obtain financing to fund the capital costs of the Siembra Minera Project;
- risks associated with filing a claim, if warranted, for damages against Venezuela in the event they breach the terms of the underlying agreements governing the formation of Siembra Minera and the future development of the Siembra Minera Project (as defined herein). The cost of prosecuting such a claim over a number of years could be substantial, and there is no assurance that we would be successful in our claim or, if successful, could collect any compensation from the Venezuelan government. If we are unable to prevail, in the event we filed a claim against the Venezuelan government related to our stake in the Siembra Minera Project or were unable to collect compensation in respect of our claim, the Company would be adversely affected;
- risks associated with the existence of "dual" governments in Venezuela as a result of certain non-Venezuelan countries (including the United States and Canada) recognizing a presidency and government led by Juan Guaidó, instead of Nicolás Maduro, including associated challenges as to governing and decision-making authority related thereto, and the U.S. government's previous indictment of Venezuelan President Nicolás Maduro and a number of key associates for human rights abuses and drug trafficking;
- risks that any future Venezuelan administration or power, de jure or de facto, will fail to respect the agreements entered into by Gold Reserve and Venezuela, including past or future actions of any branch of Government challenging the formation of Siembra Minera and Presidential Decree No. 2.248 creating the National Strategic Development Zone Mining Arc of the Orinoco;

- the risk that the conclusions of management and its qualified consultants contained in the Preliminary Economic Assessment of the Siembra Minera Gold Copper Project in accordance with Canadian National Instrument 43-101– Standards of Disclosure for Mineral Projects ("NI 43-101") may not be realized in the future;
- risks associated with exploration, delineation of sufficient reserves, regulatory and permitting obstacles and other risks associated with the development of the Siembra Minera Project;
- risks associated with our ability to service outstanding obligations as they come due and access future additional funding, when required, for ongoing liquidity and capital resources, pending the receipt of payments under the Settlement Agreement or collection of the Award in the courts;
- risks associated with our prospects in general for the identification, exploration and development of mining projects and other risks normally incident to the exploration, development and operation of mining properties, including our ability to achieve revenue producing operations in the future;
- risks that estimates and/or assumptions required to be made by management in the course of preparing our financial statements are determined to be inaccurate, resulting in a negative impact on the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period;
- risks associated with shareholder dilution resulting from the future sale of additional equity, if required;
- risks associated with the value realized, if any, from the disposition of the assets related to our previous mining project in Venezuela known as the "Brisas Project";
- risks associated with the abilities of and continued participation by certain employees;
- risks associated with the impact of current or future U.S., Canadian and/or other jurisdiction's tax laws to which we are or may be subject; and
- risks associated with the impact of new diseases, epidemics and pandemics, including the effects and potential effects of the global coronavirus disease 2019 (COVID-19) pandemic.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. See disclosure under the heading "Risk Factors" in this Management's Discussion and Analysis for the fiscal year ended December 31, 2020.

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

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

Gold Reserve, an exploration stage mining company, is engaged in the business of acquiring, exploring and developing mining projects. Currently our primary business activities at this time are the collection of the remaining amounts owed to us by Venezuela and, to the extent possible, the advancement of the Siembra Minera Project (as more fully discussed herein).

Venezuela's Political, Economic and Social Conditions

Venezuela continues to experience substantial social, political and economic turmoil. The country's overall infrastructure, social services network and economy have generally collapsed. Further, certain non-Venezuelan countries (including the United States and Canada) currently recognize a presidency and government led by Juan Guaidó, instead of Nicolás Maduro, resulting in a "dual" government. In addition, in March 2020, the U.S. government indicted Venezuelan President Nicolás Maduro and a number of key associates for human rights abuses and drug trafficking.

The existing conditions in Venezuela, along with Sanctions, are expected to continue in the foreseeable future, adversely impacting our ability to collect the remaining amount owed to us by Venezuela pursuant to the Settlement Agreement and/or Award and hinder our ability to develop certain gold, copper, silver and other strategic mineral rights contained within Bolivar State comprising what is known as the Siembra Minera project (the "Siembra Minera Project").

U.S. and Canadian Sanctions

The Sanctions, in aggregate, essentially prevent any dealings with the Venezuelan government, state-owned or controlled entities and prohibit the Company and its directors, management and employees from dealing with certain Venezuelan individuals or entering into certain transactions. The cumulative impact of the Sanctions continues to restrict the Company from working with those Venezuelan government officials responsible for the payment and transfer of funds associated with the Settlement Agreement and those responsible for the operation of Siembra Minera and the development of the Siembra Minera Project which adversely impacts our ability to collect the remaining balance of the Award plus interest and/or amounts due pursuant to the Settlement Agreement from Venezuela and, until Sanctions are lifted, obstructs our ability to develop the Siembra Minera Project as originally planned.

On June 4, 2020, our Board of Directors (the "Board") created a special committee of its members (the "Special Committee"), for the purposes of making all decisions and taking all actions for and on behalf of the Board and the Company, and so binding the Company with respect to all matters related to or arising from the business of the Company, that are not permitted to be done by "U.S. Persons" (as defined in 31 C.F.R. § 591.312) pursuant primarily to Executive Orders 13884 and 13850 ("US Sanctions"). This is part of the Company's efforts to ensure compliance with applicable laws, including, without limitation, U.S. Sanctions, the Special Economic Measures (Venezuela) Regulations enacted pursuant to the Special Economic Measures Act and the Justice for Victims of Corrupt Foreign Officials Regulations of the Justice for Victims of Corrupt Foreign Officials Act. The Special Committee will also ensure that the Company's actions that it directs are in compliance with applicable laws. The Special Committee is currently comprised of three individuals, two of whom are directors, Mr. Coleman and Mr. Gagnon, along with a former director, Mr. J.C. Potvin, who serves as an advisor to the Special Committee. None of these three members of the Special Committee are considered U.S. Persons.

Empresa Mixta Ecosocialista Siembra Minera, S.A.

In October 2016 Siembra Minerawas established, which is beneficially owned 55% by a Venezuelan government-controlled corporation, and 45% by Gold Reserve (See "Exploration Prospects – Siembra Minera Project"). Siembra Minera holds certain gold, copper, silver and other strategic mineral rights contained within Bolivar State comprising the Siembra Minera Project and is, among other things, authorized to carry on its business via existing or pending Presidential Decrees and Ministerial resolutions.

In March 2018, the Company announced the completion of a preliminary economic assessment (the "PEA") for the Siembra Minera Project in accordance with NI 43-101, which included, among other information, resource estimates, pit design, mine plan, flowsheet design, design criteria, project layout, infrastructure requirements, capital and operating estimates.

Siembra Minera has no operations at this time. As a result, the Company has directly incurred the costs associated with the Siembra Minera Project. The cumulative expenditures incurred by the Company through December 31, 2020, totaled approximately \$21.0 million.

The Sanctions obstruct our ability to develop the Siembra Minera Project and, until such time as Sanctions are lifted, we expect our ability to develop the Siembra Minera Project will continue to be limited. Further, it is unclear to management if a new Venezuelan administration in the future will respect the agreements of the prior administration.

Management's recent activities have focused on:

Collections Pursuant to the Settlement Agreement

On a cumulative basis, the Company has received approximately \$254 million pursuant to the Settlement Agreement. The remaining unpaid amount due from Venezuela pursuant to the Settlement Agreement, which is now delinquent, totals approximately \$900 million (including interest of approximately \$122 million) as of December 31, 2020.

Distribution to Shareholders

In June 2019, the Company completed a distribution of approximately \$76 million or \$0.76 per share to holders of Class A Shares as a return of capital (the "Return of Capital"). Full details of the Return of Capital are described in the Company's management proxy circular dated April 30, 2019 and other related materials filed with applicable Canadian securities regulatory authorities and made available at www.sedar.com or www.sec.gov, and posted on the Company's website at www.goldreserveinc.com. (See "Distribution of Funds to Shareholders and Intention to Distribute Funds Received in Connection with the Award in the Future").

Siembra Minera Project

The Company continued a number of social programs to improve the health care in the Siembra Minera Project area including addressing the malaria problem with medicine and preventive measures as well as concluded an approximately \$6 million works program to build or rehabilitate existing facilities at the four largest schools, a church and recreational and sport facilities, established a facility to house a radio station at one school and generate preliminary engineering assessments for potential future upgrades to the local communities' water supply and sewage system infrastructure. In March 2018, the Company published the results of the PEA which is available to the public at www.sedar.com and www.sec.gov, as well as, the Company's website at www.goldreserveinc.com (See "Exploration Prospects– Siembra Minera Project").

EXPLORATION PROSPECTS

SIEMBRA MINERA PROJECT

In August 2016, we executed the Contract for the Incorporation and Administration of the Mixed Company with the government of Venezuela (the "Mixed Company Formation Document") to form a jointly owned company and in October 2016, together with an affiliate of the government of Venezuela, we established Siembra Minera, the entity whose purpose is to develop the Siembra Minera Project. Siembra Minera is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation, and 45% by Gold Reserve. Although Venezuela is not current with its obligations outlined in the Settlement Agreement, the parties retain their respective interests in Siembra Minera.

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

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

There are significant provisions related to the formation of Siembra Minera and the development and operation of the Siembra Minera Project, as provided in the Mixed Company Formation Document, some of which are still pending completion. There are a number of pending authorizations and/or still to be completed obligations on the part of the Venezuelan government that are critical to the financing and future operation of the Siembra Minera Project.

Venezuela agreed to certain Presidential Decrees, within the legal framework of the "Orinoco Mining Arc" (created on February 24, 2016 under Presidential Decree No. 2.248 as an area for national strategic development Official Gazette No. 40.855), that will or have been issued to provide for tax and fiscal incentives for companies owned jointly with the government ("Mixed Companies") operating in that area that include exemption from value added tax, stamp tax, municipal taxes and any taxes arising from the contribution of tangible or intangible assets, if any, to the Mixed Companies by the parties and the same cost of electricity, diesel and gasoline as that incurred by the government or related entities.

Siembra Minera is obligated to pay to the government a special advantage of 3% of gross sales and a net smelter return royalty ("NSR") on the sale of gold, copper, silver and any other strategic minerals of 5% for the first ten years of commercial production and 6% for the next ten years. The parties also agreed to participate in the price of gold in accordance with a formula resulting in specified respective percentages based on the sales price of gold per ounce. For sales up to \$1,600 per ounce, net profits will be allocated 55% to Venezuela and 45% to us. For sales greater than \$1,600 per ounce, the incremental amount will be allocated 70% to Venezuela and 30% to us. For example, with sales at \$1,600 and \$3,500 per ounce, net profits will be allocated 55.0% – 45.0% and 60.5% – 39.5%, respectively.

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

The Mixed Company Formation Documents provide for Siembra Minera, pursuant to Presidential Decrees or other authorizations, to be subject to an income tax rate of 14% for years one to five, 19% for years six to ten, 24% for years eleven to fifteen, 29% for years sixteen to twenty and 34% thereafter; to be authorized to export and sell concentrate and doré containing gold, copper, silver and other strategic minerals outside of Venezuela and maintain foreign currency balances associated with sales proceeds; to hold funds associated with future capital cost financings and sale of gold, copper and silver offshore in U.S. dollar accounts with dividend and profit distributions, if any, paid directly to Siembra Minera shareholders; to convert all funds into local currency at the same exchange rate offered by Venezuela to other similar entities, as required to pay Venezuela income taxes and annual operating and capital costs denominated in Bolivars for the Siembra Minera Project. As of the date of this Management's Discussion and Analysis, Venezuela has not yet taken steps to formally provide such authorizations via Presidential Decree or otherwise.

On October 8, 2020, the Venezuelan National Constituent Assembly approved an "anti-blockade" law, published in Special Official Gazette No. 6.583 of October 12th, 2020 (the "Law"). The Law is reportedly part of the Maduro administration's strategy to overcome the financial, economic and commercial consequences of U.S. Sanctions. The Law, which according to its own terms ranks as a constitutional law, was passed to provide President Maduro the tools to mitigate the effects of U.S. Sanctions on Venezuela. The Law, in part, allows the Venezuelan government to implement programs to foster investments in projects or alliances in strategic sectors, including the power to sell State assets, lower or increase State interest in mixed companies and suspend legal and sublegal norms that it considers counterproductive due to sanctions. The Law provides strict provisions of confidentiality that would exclude from public scrutiny transactions that are permitted thereunder. Members of the opposition government and academic and professional associations in Venezuela have questioned the constitutionality of the Law. Additionally, they claim that the Law will lead to a lack of transparency and accountability. It is unclear if the Law will have any current or future impact on the Company's operations.

While it is difficult to predict, it is possible that if there were to be a change of government in Venezuela that gives control to the opposition, the new government may challenge the Maduro administration's 2016 formation of Siembra Minera and Presidential Decree No. 2.248 which created the National Strategic Development Zone Mining Arc of the Orinoco where the Siembra Minera Project is located. The impact of recent or future actions by an opposition controlled government could adversely affect the Company's ownership interest in Siembra Minera or its future operations in Venezuela.

Siembra Minera Project Completed Activities

Prior to the implementation of the Sanctions, the Company's development activities included the following, much of which were completed prior to 2019: published the results of the PEA in accordance with NI 43-101; completed the preliminary design and engineering on the small scale Phase I oxide saprolite process plant and the Phase 2 larger hard rock process plant; completed the preliminary design work for a Phase 1 and Phase 2 Tailings Dam design; completed and obtained approval of a Venezuelan Environmental Impact Statement; subsequently received the environmental permit to affect the Area for the early works (the "Permit to Affect"); collected and transported a surface saprolite material sample to the U.S. for future metallurgical testing; validated, with the assistance of Empresa Nacional Forestal (a state owned company affiliated with the Ministry of Environment), the forest inventory for the Siembra Minera Project area; assisted with the preparation of budgets for Siembra Minera according to parameters set forth by the Venezuelan budgeting agency; obtained, the "Initiation Act", pursuant to the Permit to Affect, allowing Siembra Minera to initiate the authorized preliminary/early works on the Siembra Minera Project; completed in March 2019 the Environmental Supervision Plan for the permitted (early or preliminary) works; hosted two community events for the granting of the Permit to Affect and the granting of the Initiation Act; worked with Mission Piar (Small Miner Program affiliated with the Ministry of Mines) to complete an initial survey and census of small miners located in the Siembra Minera Project area, which included cataloging identities, locations, infrastructure and health status; completed a feasibility study for a rock quarry in March 2019 as part of the opening of the quarry needed for the "early works" and during both Phases I and II of the Siembra Minera Project; and assisted small miner alliances, with the support of the Ministry of Mines, to obtain mining rights to property north of the Siembra Minera Project – with the purpose of relocating small miners from the Siembra Minera Project area.

Siembra Minera has no operations at this time. As a result, the Company has directly incurred the costs associated with the Siembra Minera Project. The cumulative expenditures incurred by the Company through December 31, 2020, totaled approximately \$21.0 million.

Siembra Minera Project Development

We have considered initial plans for various on-site activities such as site clearing, construction of a temporary camp and warehouse facilities, drilling of dewatering and development drill holes, access roads on the property, opening of the quarry for construction aggregates and initial construction activities. We have evaluated initial proposals for a drilling program in support of the overall project development activities, water management wells, and test areas where additional resource potential is evident. Various geotechnical studies as well as environmental and social studies to augment and update previous work on the property have been considered which could support the generation of a pre-feasibility study for the small and large plant and generate Environmental & Social Impact Assessments ("ESIA") for the support of the various operating and environmental permits that will be required for the Siembra Minera Project. The next phase of the Siembra Minera Project's development is envisioned to include detail design work for the small cyanidation plant and related facilities along with the metallurgical testing to support the metallurgical process used in the plant.

The Sanctions severely obstruct our ability to develop the Siembra Minera Project and, until such time as Sanctions are lifted, we expect our activities in Venezuela will be limited. It is unclear to management if any new Venezuelan administration or power, de jure or de facto, in the future will respect the agreements of the prior administration.

LMS GOLD PROJECT

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the "LMS Property"), together with certain personal property for \$350,000, pursuant to a Purchase and Sale Agreement with Raven Gold Alaska Inc. ("Raven"), a wholly-owned subsidiary of Corvus Gold Inc. Raven retains an NSR with respect to (i) "Precious Metals" produced and recovered from the LMS Property equal to 3% of "Net Smelter Returns" on such metals (the "Precious Metals Royalty") and (ii) "Base Metals" produced and recovered from the LMS Property equal to 1% of Net Smelter Returns on such metals, however we have the option, for a period of 20 years from the date of closing of the acquisition, to buy back a one-third interest (i.e. 1 %) in the Precious Metals Royalty at a price of \$4 million. In 2019 Raven assigned the NSR to Bronco Creek Exploration, Inc. The LMS Property remains at an early stage of exploration with limited annual on-site activities being conducted by the Company. Management is currently evaluating a plan to increase exploration activities on the property which could commence later this year.

BRISAS ARBITRAL AWARD, SETTLEMENT AGREEMENT AND MINING DATA SALE

In October 2009, we initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes ("ICSID") to obtain compensation for the losses caused by the actions of Venezuela that terminated our Brisas Project in violation of the terms of the Treaty between the Government of Canada and the Government of Venezuela for the Promotion and Protection of Investments. In September 2014, the ICSID Tribunal granted us the Award totaling \$740.3 million. The Award (less legal costs and expenses) accrues post-award interest at a rate of LIBOR plus 2%, compounded annually.

Under the terms of the July 2016 Settlement Agreement (as amended) Venezuela agreed to pay the Company \$792 million to satisfy the Award and \$240 million for the purchase of our technical mining data associated with our previous Brisas Project (the "Mining Data") for a total of approximately \$1.032 billion in a series of monthly payments ending on or before June 15, 2019. As agreed, the first \$240 million received by Gold Reserve from Venezuela has been recognized as proceeds from the sale of the Mining Data.

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

As of the date of this Management's Discussion and Analysis, the Company had received payments of approximately \$254 million pursuant to the Settlement Agreement. The remaining unpaid amount due from Venezuela pursuant to the Settlement Agreement, which is delinquent, totals approximately \$900 million (including interest of approximately \$122 million) as of December 31, 2020. Venezuela has not made the required payments pursuant to the terms of the Settlement Agreement and has not fulfilled remaining commitments associated with the formation of Siembra Minera and as a result is in breach of those agreements. Due to the complexity of Venezuela's political, economic and social situation and the obstacles presented by Sanctions we have concluded that, at this time, the best course of action is to continue to try to resolve the outstanding issues through continued dialog as allowed by Sanctions and the current conditions in Venezuela.

The interest rate provided for on any unpaid amounts pursuant to the Award is specified as LIBOR plus two percent. In 2017, U.K.'s Financial Conduct Authority announced that LIBOR will be phased out of existence as a dependable index for variable interest rates no later than December 31, 2021. Working groups assembled by the U.S. Federal Reserve have identified the Secured Overnight Funding Rate ("SOFR") as the preferred replacement for LIBOR. SOFR reflects the cost of borrowing in dollars in the daily overnight treasury repo market. If and when it is possible to engage with the Venezuelan government, we expect that we will either come to an agreement with Venezuela as to an appropriate replacement or, alternatively, petition the court responsible for the enforcement of our Award judgement to rule on a new interest rate benchmark. There is no assurance that we will be successful in such efforts.

The terms of the Settlement Agreement also included Venezuela's obligation to make available to an escrow agent negotiable financial instruments, with a face value of at least \$350 million, partially guaranteeing the payment obligations to the Company as well as the obligation to advance approximately \$110 million to Siembra Minera to facilitate the early startup of the pre-operation and construction activities. As of the date of this Management's Discussion and Analysis, Venezuela has not yet taken steps to provide such collateral or the early funding and it is unclear if and when Venezuela will comply with these particular obligations contained in the Settlement Agreement. (See "Cautionary Statement Regarding Forward-Looking Statements and Information")

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

Pursuant to a 2012 restructuring of convertible notes, we issued Contingent Value Rights ("CVRs") that entitle the holders to an aggregate of 5.466% of certain proceeds from Venezuela associated with the collection of the Award and/or sale of Mining Data or an enterprise sale (the "Proceeds"), less amounts sufficient to pay or reserve for applicable taxes payable, certain associated professional fees and expenses not to exceed \$10 million, any accrued operating expenses as of the date of the receipt of Proceeds not to exceed \$1 million and the balance of any remaining Notes (as defined in the agreement) and accrued interest thereon (the "Net Proceeds"). We have been advised by a CVR holder that it believes that the Company's 45% interest in Siembra Minera represents "Proceeds" for purposes of the CVRs and as such it believes the CVR holders are entitled to the value of 5.466% of that interest on the date of its acquisition. For a variety of reasons, the Company does not agree with that position and believes it is inconsistent with the CVRs and the terms and manner upon which we reached settlement as to the Award with the Venezuelan government. This matter has not been resolved as of the date of this Management's Discussion and Analysis and it is not possible at this time to determine its outcome. As of December 31, 2020, the total cumulative estimated obligation due pursuant to the terms of the CVR from the sale of the Mining Data and collection of the Award was approximately \$10.0 million, of which approximately \$60 thousand remains payable to CVR holders.

The Board approved a bonus plan (the "Bonus Plan") in May 2012, which was intended to compensate the participants, including executive officers, employees, directors and consultants for their contributions related to: the development of the Brisas Project; the manner in which the development effort was carried out allowing the Company to present a strong defense of its arbitration claim; the support of the Company's execution of the Brisas Arbitration; and the ongoing efforts to assist with positioning the Company in the collection of the Award, sale of the Mining Data or enterprise sale. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized less applicable taxes multiplied by 1.28% of the first \$200 million and 6.4% thereafter. The Bonus Plan is administered by a committee of independent directors who selected the individual participants in the Bonus Plan and fixed the relative percentage of the total pool to be distributed to each participant. Participation in the Bonus Plan by existing participants is fixed, subject to voluntary termination of employment or termination for cause. Participants who reach age 65 and retire are fully vested and continue to participate in future distributions under the Bonus Plan. As of December 31, 2020, the total cumulative estimated obligation pursuant to the terms of the Bonus Plan from the sale of the Mining Data and collection of the Award was approximately \$4.4 million, of which approximately \$70 thousand remains payable to Bonus Plan participants.

In March 2020, the U.S. Congress passed legislation which allows companies to carryback net operating losses incurred in 2018, 2019 and 2020 to offset income earned in prior years. In response to this legislation, management reduced its estimate of the U.S. related income tax due on amounts received in 2018 from the sale of Mining Data. The effect of this change in estimate was to increase the net proceeds subject to the CVR and the Bonus Plan and, as a result, the Company recorded an increase in its obligation to the CVR holders and Bonus Plan participants by approximately \$60 thousand and \$70 thousand, respectively.

Distribution of Funds to Shareholders and Intention to Distribute Funds Received in Connection with the Award in the Future

In June 2019, the Company completed a distribution of approximately \$76 million or \$0.76 per share to holders of Class A Shares as a return of capital (the "Return of Capital"). The Return of Capital was completed pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "ABCA") which required approval by the Alberta Court of Queen's Bench (the "Court") and at least two-thirds of the votes cast by Shareholders in respect of a special resolution. Full details of the Return of Capital are described in the Company's management proxy circular dated April 30, 2019 and other related materials filed with applicable Canadian securities regulatory authorities and made available at www.sedar.com or www.sec.gov, and posted on the Company's website at www.goldreserveinc.com.

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

FINANCIAL OVERVIEW

Overview

Our overall financial position is influenced by the proceeds previously received pursuant to the Settlement Agreement, related payment obligations and the Return of Capital. Recent operating results and our overall financial position and liquidity are impacted by Venezuela's failure to honor its payment obligations under the Settlement Agreement in a timely manner, expenses associated with activities related to the Siembra Minera Project, obligations associated with collections under the Settlement Agreement, Sanctions and costs associated with maintaining our legal and regulatory obligations in good standing.

As discussed elsewhere in this Management's Discussion and Analysis, the Sanctions have and will continue to adversely impact our ability to collect the remaining amounts due associated with the Settlement Agreement and/or Award and, until Sanctions are lifted, obstruct our ability to develop the Siembra Minera Project as originally planned.

Overall, we experienced a net decrease in cash and cash equivalents for the year ended December 31, 2020 of approximately \$4.4 million compared to a decrease of approximately \$85.8 million for the same period in 2019. The net decrease in 2020 was primarily due to cash used in operations as more fully described in the "Operating Activities" section below. In 2019, the net decrease was primarily due to the Return of Capital, as more fully described in the "Financing Activities" section below and cash used in operations as more fully described in the "Operating Activities" section below. Net loss for the year ended December 31, 2020 was \$11.5 million compared to net loss of \$13.1 million for the year ended 2019. The decrease in loss was primarily due to a decrease in costs associated with the Siembra Minera Project and a decrease in write-downs of property, plant and equipment, partially offset by decreases in interest income and income tax benefit.

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

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

SELECTED ANNUAL INFORMATION ⁽¹⁾

	2020	2019	2018
Income (loss)	\$ 293,657	\$ 1,599,749	\$ 51,569,175
Expenses	\$ (12,900,302)	\$ (19,094,554)	\$ (19,680,922)
Income tax benefit	\$ 1,089,360	\$ 4,347,907	\$ 9,970,117
Net income (loss)	\$ (11,517,285)	\$ (13,146,898)	\$ 41,858,370
Basic and diluted per share	\$ (0.12)	\$ (0.13)	\$ 0.42
Total assets	\$ 69,435,303	\$ 80,268,951	\$ 168,653,346
Total non-current financial liabilities	\$ 77,093	\$ 169,911	\$ -
Distributions or cash dividends declared per share	\$ -	\$ 0.76	\$ -

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

Factors that have caused period to period variations are more fully discussed below under the headings "Liquidity and Capital Resources", "Results of Operations" and "Changes in Accounting Policies Including Initial Adoption".

Liquidity and Capital Resources

At December 31, 2020, we had cash and cash equivalents of approximately \$57.4 million which represents a decrease from December 31, 2019 of approximately \$4.4 million. The net decrease was primarily due to cash used in operations as more fully described in the "Operating Activities" section below, partially offset by receipt of a refund of income tax.

	2020	Change	2019
Cash and cash equivalents	\$ 57,415,350	\$ (4,406,787)	\$ 61,822,137

As of December 31, 2020, we had financial resources including cash, cash equivalents and marketable securities totaling approximately \$57.5 million, equipment with a carrying value of approximately \$2.5 million (See Note 6 to the consolidated financial statements), an income tax receivable of approximately \$8.7 million and short-term financial obligations consisting of accounts payable, accrued expenses, contingent value rights and lease liability of approximately \$0.9 million.

We have no revenue producing operations at this time. Our future working capital position is dependent upon the collection of the remaining balance of the amounts due pursuant to the Settlement Agreement and/or Award. We believe that we have sufficient working capital to carry on our activities for the next 12 to 24 months. However, a change of administration in Venezuela and/or removal of Sanctions, among other things, could result in increased activities and a higher cash burn-rate requiring us to seek additional sources of funding to ensure our ability to continue our business in the normal course. As discussed elsewhere in this Management's Discussion and Analysis, the Sanctions have and will continue to adversely impact our ability to collect the remaining balance of the Award plus interest and/or amounts due pursuant to the Settlement Agreement from Venezuela and, until Sanctions are lifted, significantly obstruct our ability to develop the Siembra Minera Project as originally planned.

Operating Activities

Cash flow used in operating activities for the years ended December 31, 2020 and 2019 was approximately \$4.6 million and \$10.3 million, respectively. Cash flow used in operating activities consists of net loss (the components of which are more fully discussed below) adjusted for gains and losses on marketable securities, deferred tax, non-cash expense items primarily related to stock option compensation and depreciation as well as certain non-cash changes in working capital.

Cash flow used in operating activities during the year ended December 31, 2020 decreased from the prior comparable period primarily due to receipt of a refund of income tax, a decrease in activity related to the Siembra Minera Project and a decrease in legal and accounting expense, partially offset by decreases in interest income and an increase in arbitration expense.

Investing Activities

	2020	Change	2019
Proceeds from disposition of marketable securities	\$ 100,126	100,126	\$ -
Proceeds from sale of property, plant and equipment	98,649	98,649	-
Purchase of property, plant and equipment	(46,753)	(36,743)	(10,010)
	\$ 152,022	\$ 162,032	\$ (10,010)

Cash flow from investing activities increased during the year ended December 31, 2020 due to an increase in proceeds from disposition of marketable securities and proceeds from sales of property, plant and equipment. As of December 31, 2020, the Company held approximately \$1.9 million of Brisas Project related equipment intended for future sale (See Note 6 to the audited consolidated financial statements).

Financing Activities

	2020	Change	2019
Return of Capital	\$ -	\$ (75,540,237)	\$ 75,540,237

In June 2019, the Company completed a distribution of approximately \$76 million or \$0.76 per share to holders of Class A Shares pursuant to a Return of Capital. The Return of Capital was completed pursuant to a plan of arrangement under the ABCA and required approval by the Court and at least two-thirds of the votes cast by Shareholders in respect of a special resolution. The Company did not have financing activities during the year ended December 31, 2020.

Contractual Obligations

Our contractual obligation payments as of December 31, 2020 consist of amounts due pursuant to the Bonus Plan and CVR agreements of approximately \$0.1 million. As described in Note 3 to the December 31, 2020 consolidated financial statements, the Company is obligated to make payments under the Bonus Plan and CVR agreements based on the after-tax amounts received from Venezuela under the Settlement Agreement and/or Award.

Results of Operations

Summary

Consolidated income, expenses, net loss before tax and net loss for the years ended December 31, 2020 and 2019 were as follows:

	2020	Change	2019
Income	\$ 293,657	\$ (1,306,092)	\$ 1,599,749
Expenses	(12,900,302)	6,194,252	(19,094,554)
Net loss before tax	\$ (12,606,645)	\$ 4,888,160	\$ (17,494,805)
Net loss and comprehensive loss	\$ (11,517,285)	\$ 1,629,613	\$ (13,146,898)

Income (Loss)

	2020	Change	2019
Interest income	\$ 294,277	\$ (996,288)	\$ 1,290,565
Loss on disposition of property, plant and equipment	(30,476)	(30,476)	-
Gain (loss) on marketable equity securities	5,756	115,449	(109,693)
Foreign currency gain	24,100	(394,777)	418,877
	\$ 293,657	\$ (1,306,092)	\$ 1,599,749

As the Company has no commercial production or source of operating cash flow at this time, income is often variable from period to period. The decrease in income was primarily a result of a reduction in interest income due to both a decrease in cash due to the 2019 return of capital transaction and a decrease in interest rates as well as a reduction in foreign currency gain.

Expenses

	2020	Change	2019
Corporate general and administrative	\$ 5,147,333	\$ (159,002)	\$ 5,306,335
Contingent value rights	59,549	(203,000)	262,549
Siembra Minera Project costs	1,568,741	(3,622,092)	5,190,833
Write-down of property, plant and equipment	3,749,531	(2,318,436)	6,067,967
Exploration costs	73,683	37,605	36,078
Legal and accounting	698,810	(688,088)	1,386,898
Arbitration and settlement	1,132,291	725,954	406,337
Equipment holding costs	470,364	32,807	437,557
Total expenses for the period	\$ 12,900,302	\$ (6,194,252)	\$ 19,094,554

Corporate general and administrative expense for the year ended December 31, 2020 decreased from the comparable period in 2019 primarily due to a reduction in Director and Officer insurance. CVR-related expenses decreased due to a decrease in the tax benefits associated with prior years' receipts of payments under the Settlement Agreement. Expenses associated with the Siembra Minera Project during the year ended December 31, 2020 decreased from the prior comparable period due to a decrease in the magnitude of social work programs in the project area, which continue to include various medical initiatives and malaria mitigation (See Exploration Prospects – Siembra Minera Project Completed Activities). Impairment write-downs of property, plant and equipment are based on review of the price range of similar assets that are available for sale. The Company's property, plant and equipment write-downs decreased in 2020 as the price ranges of similar assets decreased by a smaller amount than they had in 2019. Legal and accounting expenses decreased from the prior comparable periods primarily as a result of a decrease in professional fees associated with the return of capital transaction in 2019. Arbitration and settlement expense increased generally as a result of counsels' assistance in the evaluation of various issues associated with the current status of the Settlement Agreement and the Siembra Minera Project. Overall, total expenses for the year ended December 31, 2020 decreased by approximately \$6.2 million from the comparable period in 2019.

SUMMARY OF QUARTERLY RESULTS (1)

Quarter ended	12/31/20	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
Income (loss)	\$56,510	\$(2,668)	\$122,845	\$116,970	\$212,194	\$(67,176)	\$647,953	\$806,778
Net income (loss)								
before tax	(5,728,924)	(2,562,967)	(2,235,424)	(2,079,330)	(8,306,237)	(2,709,601)	(3,718,609)	(2,760,358)
Per share	(0.06)	(0.03)	(0.02)	(0.02)	(0.08)	(0.03)	(0.04)	(0.03)
Fully diluted	(0.06)	(0.03)	(0.02)	(0.02)	(0.08)	(0.03)	(0.04)	(0.03)
Net income (loss)	(5,484,748)	(2,427,973)	(2,122,592)	(1,481,972)	(8,306,237)	1,638,306	(3,718,609)	(2,760,358)
Per share	(0.06)	(0.02)	(0.02)	(0.01)	(0.08)	0.02	(0.04)	(0.03)
Fully diluted	(0.06)	(0.02)	(0.02)	(0.01)	(0.08)	0.02	(0.04)	(0.03)

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

In the fourth quarter of 2020, income increased as a result of an increase in foreign currency gain and a decrease in loss on disposition of property, plant and equipment. In the third quarter of 2020, income decreased as a result of a decrease in interest income and a decrease in gain on marketable securities as well as a loss on disposition of property, plant and equipment. In the second quarter of 2020, income increased as a result of gains on marketable equity securities partially offset by a decrease in interest as a result of lower interest rates. In the first quarter of 2020, income decreased as a result of losses on marketable equity securities and foreign currency loss. In the fourth quarter of 2019, income increased as a result of gains on marketable equity securities and foreign currency gain. In the third quarter of 2019 income decreased as a result of a decrease in interest income after the June 2019 shareholder distribution as well as an increase in foreign currency loss. In the second quarter of 2019 income decreased primarily due to an increase in loss on marketable equity securities.

In the fourth quarter of 2020, net loss increased primarily as a result of a write-down of property, plant and equipment. Net loss increased in the third quarter of 2020 as a result of a decrease in income as noted above as well as an increase in non-cash stock option expense partially offset by a decrease in arbitration expense. Net loss increased in the second quarter of 2020 primarily due to an increase in legal costs related to the Company's evaluation of various issues associated with the current status of the Settlement Agreement and the Siembra Minera Project. In the first quarter of 2020, net loss decreased from the prior quarter because the Company did not have further write-downs of equipment. In the fourth quarter of 2019, net loss increased as a result of a write-down of property, plant and equipment. In the third quarter of 2019, net income increased primarily as a result of a change in estimated income tax. In the first and second quarters of 2019, the Company recorded net losses primarily because the Company did not have any receipts from the Settlement Agreement.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

During the years ended December 31, 2020 and 2019, there were no transactions with related parties.

Internal Control over Financial Reporting (ICFR)

Management is responsible for establishing and maintaining ICFR. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our ICFR as of December 31, 2020 based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management concluded that our ICFR was effective as of December 31, 2020.

During the fiscal year ended December 31, 2020, there were no changes in our ICFR that have materially affected, or are reasonably likely to materially affect, our ICFR (as defined in Rules 13(a)-15(f) and 15(d)-15(f) under the Exchange Act).

Disclosure Controls and Procedures (DC&P)

An evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our DC&P (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Annual Report. Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that our DC&P were effective as of December 31, 2020 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC rules and forms.

Critical Accounting Estimates

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

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

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

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

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

RISK FACTORS

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

Risks:

Related to the Concentration of our Business Activities in Venezuela

Our current and future business activities are expected to be concentrated in Venezuela and will be subject to inherent local risks.

Our potential development and/or future operation of the Siembra Minera Project as well as our activities related to the enforcement of the Settlement Agreement and/or collection of the remaining amounts due pursuant to the Award will be located in or influenced by conditions in Venezuela and, as a result, we will be subject to operational, regulatory, political and economic risks specific to its location, including:

- the effects of local political, labor and economic developments, instability and unrest;
- the existence of "dual" governments in Venezuela as a result of certain non-Venezuelan countries (including the United States and Canada) recognizing a presidency and government led by Juan Guaidó instead of Nicolás Maduro, including associated challenges as to governing and decision-making authority related thereto;
- the U.S. government's recent indictment of Venezuelan President Nicolás Maduro and a number of key associates for human rights abuses and drug trafficking;
- changes in the government of Venezuela and among its officeholders;
- significant or abrupt changes in the applicable regulatory or legal climate;
- currency instability, hyper-inflation and the environment surrounding the financial markets and exchange rate in Venezuela;
- international response to Venezuelan domestic and international politics and policies, including the threat of military intervention and armed conflict;
- limitations on mineral exports;
- invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights;
- exchange controls and export or sale restrictions;
- currency fluctuations, repatriation restrictions and operation in a highly inflationary economy;
- competition with companies from countries that are not subject to Canadian and U.S. laws and regulations;
- laws or policies of foreign countries and Canada affecting trade, investment and taxation;
- civil unrest, military actions and crime;
- corruption, requests for improper payments, or other actions that may violate Canadian and U.S. foreign corrupt practices acts, uncertain legal enforcement and physical security;
- new or changes in regulations related to mining, environmental and social issues; and
- the willingness of future governments in Venezuela to uphold and abide by agreements and commitments made by previous governments.

Related to Sanctions Imposed On Venezuela By the U.S. and Canadian Governments

Sanctions currently imposed on Venezuela by the U.S. and Canada, and any further Sanctions that may be imposed in the future, could materially adversely affect the Company.

The U.S. and Canadian governments have imposed Sanctions targeting the Venezuelan government, certain Venezuelan individuals and Siembra Minera as a result of the Venezuelan government's 55% ownership (See "U.S. and Canadian Sanctions").

Failure to comply with these Sanctions could result in civil or, in some cases, criminal consequences for the Company and/or our officers and directors. Compliance with the current Sanctions, as well as any future Sanctions that may be imposed by the U.S. or Canada, may further restrict our ability to consummate the transactions contemplated by the Settlement Agreement or the mixed company arrangements related to the Siembra Minera Project, including:

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

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

Related to Collection of the Award and Sale of Mining Data

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

In July 2016, we signed the Settlement Agreement whereby Venezuela agreed to pay us the Award (including interest) and purchase our Mining Data. Under the terms of the Settlement Agreement, Venezuela agreed to pay the Company \$792 million to satisfy the Award and \$240 million for the purchase of our Mining Data for a total of approximately \$1.032 billion to be paid in monthly installments ending on or before June 15, 2019. The remaining unpaid and delinquent amount due from Venezuela pursuant to the Settlement Agreement, as of December 31, 2020, totals approximately \$900 million (including interest of approximately \$122 million). Also, the Settlement Agreement contemplates the calculation of interest on unpaid amounts based on the LIBOR benchmark. With the announced phase out of the LIBOR by December 2021, we will be required to either agree with Venezuela on a new interest benchmark, if and when engagement with the Venezuelan government is possible, or, alternatively, petition the court responsible for the enforcement of our Award judgement to rule on a new benchmark.

Termination of the Settlement Agreement as a result of Venezuela's failure to make the contemplated payments thereunder could materially adversely affect the Company.

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

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

We have no commercial operations and may be unable to continue as a going concern.

We have no revenue producing operations at this time. Our future working capital position is dependent upon the receipt of amounts due to us pursuant to the Settlement Agreement or collection of the Award in the relevant legal jurisdictions. Although we believe that we have sufficient working capital to carry on our activities for the next 12 to 24 months, our actual cash burn-rate may require us to seek additional sources of funding to ensure our ability to continue our activities in the normal course.

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

In addition, U.S. and Canadian Sanctions have and are expected to continue to adversely impact our ability to receive payments from Venezuela pursuant to the Settlement Agreement and our ability to proceed with the development of the Siembra Minera Project.

Related to the Development and Operation of the Siembra Minera Project

Venezuela's failure to honor its commitments and/or the inability of the Company and Venezuela to overcome certain obstacles associated with the Siembra Minera Project could adversely affect the Company.

There remains a number of outstanding commitments by Venezuela associated with the formation and operation of Siembra Minera including a number of legal or regulatory obstacles related to the development of the Siembra Minera Project, completion of additional definitive documentation, remaining governmental approvals and obtaining financing to fund the capital costs of the Siembra Minera Project.

The breach of one or more of the terms of the underlying agreements governing the formation of Siembra Minera and the future development of the Siembra Minera Project by Venezuela could have an adverse impact on the Company.

In the event Venezuela breaches the terms of the underlying agreements governing the formation of Siembra Minera and the future development of the Siembra Minera Project, the Company could be exposed to substantial enforcement costs of prosecuting such a claim over a number of years and there is no assurance that we would be successful in our claim or, if successful, could collect any compensation from the Venezuelan government. If we are unable to prevail, in the event we filed a claim against the Venezuelan government related to our stake in the Siembra Minera Project or were unable to collect compensation in respect of our claim, the Company would be adversely affected.

Any development activities on the Siembra Minera Project will require additional exploration work and financing and there is no assurance that the project will be determined feasible.

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

Risks Related to the Class A Shares

The price and liquidity of the Class A Shares may be volatile.

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

- we do not have an active market for the Class A Shares and large sell or buy transactions may affect the market price;
- developments in our efforts to conclude the transactions contemplated by the Settlement Agreement;
- economic and political developments in Venezuela including the impact of Sanctions on our ability to consummate the transactions contemplated by the Settlement Agreement or the terms of the mixed company arrangement related to the development of the Siembra Minera Project;
- our operating performance and financial condition;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general purposes;
- the public's reaction to announcements or filings by us or other companies;
- the public's reaction to negative news regarding Venezuela and/or international responses to Venezuelan domestic and international policies;
- the price of gold, copper and silver;
- the addition to or changes to existing personnel; and
- general global economic conditions, including, without limitation, interest rates, general levels of economic activity, fluctuations in market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters, public health crisis (such as the recent global outbreak of COVID-19).

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

We may issue additional Class A Shares, debt instruments convertible into Class A Shares or other equity-based instruments to fund future operations.

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

The Company's current or future plans to declare cash dividends or make distributions to shareholders are subject to inherent risks.

In June 2019, the Company completed a distribution of approximately \$76 million or \$0.76 per share to holders of Class A Shares pursuant to a Return of Capital. The Return of Capital was completed pursuant to a plan of arrangement under the ABCA and required approval by the Court and at least two-thirds of the votes cast by Shareholders in respect of a special resolution. We may declare cash dividends or make distributions in the future only if our earnings and capital are sufficient to justify the payment of such dividends or distributions.

Risks Related to the Business

New diseases, epidemics and pandemics, including the effects and potential effects of the global COVID-19 pandemic may adversely impact the Company's current and future operations.

In December 2019, a strain of coronavirus known as COVID-19 appeared in China, and has since spread around the world, resulting in widespread business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization in March 2020. The effectiveness and timing of mitigation measures by governments, medical and private sector participants is unclear at this time. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

Failure to attract new and/or retain existing personnel could adversely affect us.

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

Risks inherent in the mining industry could adversely impact future operations.

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

U.S. Internal Revenue Service designation as a "passive foreign investment company" may result in adverse U.S. tax consequences to U.S. Holders.

U.S. taxpayers should be aware that we have determined that we were a "passive foreign investment company" (a "PFIC") under Section 1297(a) of the U.S. Internal Revenue Code (the "Code") for the taxable year ended December 31, 2020. We have not made, and do not expect to make, a determination as to whether any of our subsidiaries were PFICs as to any of our shareholders for the taxable year ended December 31, 2020. The determination of whether we and any of our subsidiaries will be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether we and any of our subsidiaries will be a PFIC for any taxable year generally depends on our assets and income and those of our subsidiaries' over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this Management's Discussion and Analysis. Accordingly, there can be no assurance that we and any of our subsidiaries will not be a PFIC for any taxable year.

For taxable years in which we are a PFIC, subject to the discussion below, any gain recognized on the sale of our Class A common shares and any "excess distributions" (as specifically defined by the Code) paid on our Class A common shares must be ratably allocated to each day in a U.S. taxpayer's holding period for the Class A common shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the Class A common shares during which we were a PFIC generally will be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a timely and effective "QEF election" generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of our "net capital gain" and "ordinary earnings" (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by us. For a U.S. taxpayer to make a QEF election, we must agree to supply annually to the U.S. taxpayer the "PFIC Annual Information Statement" and permit the U.S. taxpayer access to certain information in the event of an audit by the IRS. We will prepare and make the statement available to U.S. taxpayers, and will permit access to the information. As a possible second alternative, a U.S. taxpayer may make a "mark-to-market election" with respect to a taxable year in which we are a PFIC and the Class A common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which we are a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Class A common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in such Class A common shares.

There are material tax risks associated with holding and selling or otherwise disposing of Class A Shares.

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

It may be difficult to bring certain actions or enforce judgments against the Company and/or its directors and executive officers.

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

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Recently Issued Accounting Pronouncements

In January 2020, the FASB issued ASU 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) (collectively, the "Topics"). This update is intended to clarify certain interactions between Topics which guide the accounting for certain equity securities and investments under the equity method of accounting. These amendments improve current GAAP by reducing diversity in practice and increasing comparability of the accounting for these interactions. This update is effective for us commencing with the annual period beginning after December 15, 2020, including interim periods within that year. We do not expect the adoption of this standard will have a significant impact on our financial statements.

DISCLOSURE OF OUTSTANDING SHARE DATA

Class A Shares

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

Preferred Shares

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

Share Purchase Options

We maintain the 2012 Equity Incentive Plan (the "2012 Plan") which provides for the grant of stock options on up to 8.75 million Class A Shares. As of April 8, 2021, 2,073,435 of those options had been exercised and there were 4,679,565 options outstanding and 1,997,000 options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSXV and as may be determined by a committee established pursuant to the 2012 Plan, or in certain cases, by the Board.

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

Expiry Date	Exercise Price	Number of Shares
June 9, 2021	\$ 1.85	444,922
July 25, 2024	\$ 3.26	250,000
June 29, 2025	\$ 3.15	180,000
February 16, 2027	\$ 2.39	3,369,643
May 1, 2027	\$ 1.93	125,000
September 9, 2030	\$ 1.75	125,000
September 25, 2030	\$ 1.70	135,000
January 7, 2031	\$ 1.75	50,000
Total Class A Shares issuable pursuant to stock options		4,679,565

Capital Structure

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

Class A Shares outstanding	99,395,048
Shares issuable pursuant to the 2012 Equity Incentive Plan	<u>4,679,565</u>
Total shares outstanding, fully diluted	<u>104,074,613</u>

ADDITIONAL INFORMATION

Additional information relating to our Company, including our Company's Annual Information Form, is on SEDAR at www.sedar.com.

Exhibit 99.4 – Certification of Gold Reserve Inc. Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Rockne J. Timm, certify that:

1. I have reviewed this Annual Report on Form 40-F of Gold Reserve Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 8, 2021

s/ Rockne J. Timm

Rockne J. Timm,
Chief Executive Officer

Exhibit 99.5 – Certification of Gold Reserve Inc. Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert A. McGuinness, certify that:

1. I have reviewed this Annual Report on Form 40-F of Gold Reserve Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: April 8, 2021

s/ Robert A. McGuinness

Robert A. McGuinness,
Vice President-Finance &
Chief Financial Officer

**Exhibit 99.6 – Certification of Gold Reserve Inc. Chief Executive Officer pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

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

In connection with the Annual Report of Gold Reserve Inc. on Form 40-F for the year ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof, I, Rockne J. Timm, Chief Executive Officer of Gold Reserve Inc., certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Annual Report on 40-F fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Annual Report on Form 40-F fairly presents, in all material respects, the financial condition and results of operations of Gold Reserve Inc.

s/ Rockne J. Timm

Rockne J. Timm
Chief Executive Officer
April 8, 2021

Exhibit 99.7– Certification of Gold Reserve Inc. Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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

In connection with the Annual Report of Gold Reserve Inc. on Form 40-F for the year ending December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof, I, Robert A. McGuinness, Vice President-Finance & CFO of Gold Reserve Inc., certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Annual Report on 40-F fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Annual Report on Form 40-F fairly presents, in all material respects, the financial condition and results of operations of Gold Reserve Inc.

s/ Robert A. McGuinness

Robert A. McGuinness
Vice President-Finance & Chief Financial Officer
April 8, 2021

Exhibit 99.8 – Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended December 31, 2020 of Gold Reserve Inc. of our report dated April 8, 2021, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in Exhibit 99.2 incorporated by reference in this Annual Report.

We also consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-186851, 333-191955, 333-195992, 333-208996 and 333-213336) and Form S-8 (No. 333-188574, 333-197282 and 333-214789) of Gold Reserve Inc. of our report dated April 8, 2021 referred to above. We also consent to reference to us under the heading "Interests of Experts" which appears in the Annual Information Form included in the Exhibit incorporated by reference in this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

/s/PricewaterhouseCoopers LLP

Vancouver, Canada

April 8, 2021