



Gold Reserve Inc.

NR-04-06

GOLD RESERVE INCREASES PROVEN & PROBABLE RESERVE 22% TO 9.1 MILLION OUNCES OF GOLD

SPOKANE, WASHINGTON August 3, 2004

Gold Reserve Inc. (TSX: GRZ – AMEX:GRZ) is very pleased to announce an increase in its mineral reserve at the Brisas project. Gold increased 22% to 9.1 million ounces from 7.48 million ounces and copper increased to 1.15 billion pounds from 1.08 billion pounds.

Pincock Allen & Holt, Inc. (“PAH”) of Denver, Colorado has completed the Brisas mineral reserve analysis based on 180,000 meters of diamond drilling in 803 holes. This increase incorporates the Company’s recent 15,000 meter drilling program, the expected mining and milling costs for the expanded 70,000 tonne per day flotation plant, and the anticipated smelter treatment and refining charges for the gold/copper concentrates. PAH has concluded that the Brisas mineral reserve estimate is reliable for the current phase of the project’s feasibility study and that there is upside for additional mineral reserves at the Brisas project.

The proven and probable mineral reserve estimate is summarized in the following table:

Brisas Mineral Reserve

	Reserve Tonnes (millions)	Gold Grade (gpt)	Gold Ounces (millions)	Copper Grade (%)	Copper lbs. (millions)	Strip Ratio
Proven	190	0.71	4.343	0.12	516	
Probable	217	0.68	4.754	0.13	638	
Total	407	0.70	9.097	0.13	1,154	1.85

The mineral reserve (within a pit design) has been estimated in accordance with the SME Reporting Guide and CIM Standards as adopted by CSA National Instrument 43 – 101. The mineral reserve was estimated using metal prices of US \$350 per ounce gold and US \$0.90 per pound copper with an internal revenue cutoff of \$2.76 per tonne. The qualified persons involved in the property evaluation and the resource and reserve estimates are Raul Borrastero, C.P.G. and Susan Poos P.E. of Pincock Allen & Holt and Brad Yonaka, Exploration Manager for Gold Reserve.

Doug Belanger, President, stated, "Brisas continues to surpass our expectations. The increase in the gold reserve was much larger than expected and, with over 1.1 billion pounds of copper, confirms that Brisas is truly a world class deposit. With the new reserve and only 29.1 million shares outstanding, Gold Reserve has over 0.3 ounces of gold per outstanding share, which is the highest in the industry. Also, as a result of the PAH work, we are evaluating the benefits of additional drilling to expand the deposit even further. We expect to complete the final feasibility study later this year and make a production decision before year end."

Gold Reserve Inc. is a Canadian company, currently completing the feasibility study on its Brisas gold/copper project in Southeastern Venezuela.

Information regarding Gold Reserve Inc. is located at www.goldreserveinc.com

Certain statements included herein, including those that express management's expectations or estimates of our future performance, constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risk factors that may cause the actual financial results, performance, or achievements of Gold Reserve to be materially different from our estimated future results, performance, or achievements expressed or implied by those forward looking statements. These are discussed in greater detail in Gold Reserve's filings with the U.S. Securities and Exchange Commission at www.sec.gov and the Annual Information Form and other reports filed with Canadian provincial securities commissions at www.sedar.com. Gold Reserve expressly disclaims any intention or obligation to update or revise any forward looking statement whether as a result of new information, events or otherwise.

FOR FURTHER INFORMATION:

Internet – www.goldreserveinc.com

A. Douglas Belanger, President

926 W. Sprague Ave., Suite 200

Spokane, WA 99201 USA

Tel. (509) 623-1500

Fax (509) 623-1634