



# Gold Reserve Inc.

NR-05-04

## GOLD RESERVE INCREASES PROVEN & PROBABLE RESERVES TO 10.1 MILLION OUNCES OF GOLD

SPOKANE, WASHINGTON May 17, 2005

**Gold Reserve Inc. (TSX: GRZ – AMEX:GRZ)** is pleased to announce an increase in its proven and probable mineral reserves at the Brisas project. Gold increased to 10.1 million ounces from 9.2 million ounces and copper increased to 1.29 billion pounds from 1.18 billion pounds.

Pincock Allen & Holt, Inc. ("PAH") of Denver, Colorado has completed the Brisas mineral reserve analysis based on 195,000 meters of diamond drilling in 830 holes. This increase incorporates the Company's recent 15,000 meter drilling program, the mining and milling costs for the 70,000 tonne per day flotation plant, and the smelter treatment and refining charges for the gold/copper concentrates from the Company's bankable feasibility study.

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

**Brisas Mineral Reserve**

	Reserve Tonnes (millions)	Gold Grade (gpt)	Gold Ounces (thousands)	Copper Grade (%)	Copper lbs. (millions)	Strip Ratio
Proven	206.9	0.726	4,829	0.125	570	
Probable	239.3	0.683	5,255	0.136	720	
Total	446.2	0.703	10,084	0.131	1,290	2.16

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, which we believe is substantially the same as SEC Industry Guide 7. 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 US \$3.00 per tonne. The qualified persons involved in the reserve estimates are Raul Borrastero, C.P.G. and Susan Poos P.E. of PAH and Brad Yonaka, Exploration Manager and Daniel Thompson, Manager Technical Services for the Company.

Doug Belanger, President, stated, "With the new proven and probable reserves and only 35.8 million shares outstanding, Gold Reserve has over 0.28 ounces of gold per outstanding share, which is the highest in the industry."

The Brisas operating plan from the January 2005 bankable feasibility study anticipates processing ore at 70,000 tonnes per day, yielding an average annual production of 486,000 ounces of gold and 63 million pounds of copper. Cash operating costs (net of copper by-product at US \$1.00 per pound) are estimated at \$154 per ounce of gold and total costs per ounce, including operating costs and initial and sustaining capital, are estimated at \$263 per ounce of gold.

Gold Reserve Inc. is a Canadian company, currently developing its Brisas gold/copper project in Southeastern Venezuela.

Information regarding Gold Reserve Inc. is located at [www.goldreserveinc.com](http://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](http://www.sec.gov) and the Annual Information Form and other reports filed with Canadian provincial securities commissions at [www.sedar.com](http://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](http://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