



Gold Reserve Inc.

NR-13-09

NOT FOR RELEASE IN THE UNITED STATES

GOLD RESERVE INC. CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

SPOKANE, WASHINGTON, August 28, 2013

Gold Reserve Inc. (TSX.V:GRZ) (OTCQB:GDRZF) (the “**Company**”) is pleased to announce the closing of the first tranche of its previously announced non-brokered private placement (See the Company’s news release dated August 14, 2013). The Company has issued an aggregate of 1,500,000 units of securities of the Company (each, a “**Unit**”) at a price of US \$3.00 per Unit for gross proceeds in the amount of US \$4,500,000 (the “**Private Placement**”) to funds affiliated with Greywolf Capital Management LP (“**Greywolf**”). Each Unit comprises one Class A common share of the Company (each, a “**Common Share**”) and one-half of one Common Share purchase warrant (each whole such warrant, a “**Warrant**”), with each Warrant exercisable by the holder until August 28, 2015 to acquire one Common Share at a price of US \$4.00 per share. The proceeds will be used by the Company for general working capital purposes.

No commission or finder’s fee was paid in connection with the Private Placement. The Common Shares and the Warrants were offered pursuant to exemptions from the prospectus requirements of applicable securities legislation and are subject to a hold period in Canada expiring on December 29, 2013.

As Greywolf exercised control or direction over more than 10% of the outstanding Common Shares prior to the Private Placement, the Private Placement was considered to be a “related party transaction” within the meaning of Canadian Multilateral Instrument 61-101 (“**MI 61-101**”) and Policy 5.9 of the TSX Venture Exchange, which incorporates MI 61-101. The Company has relied on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(a) of MI 61-101, respectively, in respect of the Private Placement.

Further information regarding the Company can be located at www.goldreserveinc.com, www.sec.gov and www.sedar.com.

Company Contact

A. Douglas Belanger, President
926 W. Sprague Ave., Suite 200
Spokane, WA 99201 USA
Tel. (509) 623-1500
Fax (509) 623-1634

“Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.”

None of the Units, Common Shares or Common Shares issuable upon exercise of the Warrants have been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any Units or Common Shares. This press release is being issued pursuant to and in accordance with Rule 135c under the Securities Act.