



# Gold Reserve Inc.

NR 07-11

## **GOLD RESERVE FINALIZES CATERPILLAR EQUIPMENT PURCHASE AGREEMENT**

**June 20, 2007 - Gold Reserve Inc.** (TSX:GRZ – AMEX:GRZ) Gold Reserve Inc. is pleased to announce that it has finalized negotiations with Caterpillar Inc. and its local Venezuelan dealer, Venequip S.A., to provide Caterpillar haulage equipment, front end loaders and construction machinery for the construction and operation of Gold Reserve's Brisas gold and copper mine in Venezuela.

Jim Geyer, Senior Vice President of Gold Reserve, said, "We have established an excellent relationship with Caterpillar and Venequip and we are very happy that Caterpillar views our Brisas mine as strategically important within Venezuela and has agreed to support our mining plans with a steady supply of high-quality equipment, spare parts, and technical expertise. Venequip is a first class Caterpillar dealer and will provide excellent in-country support to our construction and future operations fleet."

Gold Reserve has initiated this alliance with Venequip by ordering 21 pieces of construction equipment, with a value of more than \$10 million, to be delivered before the end of 2007. The equipment is planned to be used for early earthworks projects and to initiate construction of the tailings dam facility.

Subsequent equipment deliveries, during the next three years, are expected to include more than thirty 236 tonne capacity haulage trucks, two 18 cubic meter front end loaders, seven D10T bulldozers, and other support equipment. In total, the agreement with Venequip and Caterpillar represents an initial 3 year capital investment of approximately \$80 million and nearly \$500 million in capital and spare parts purchases over the estimated life of mine operation.

Gold Reserve Inc. is a Canadian company developing the Brisas gold copper project in Southeastern Venezuela. Brisas has NI-43-101 reserves of 485 million tonnes of ore grading 0.67 grams per tonne gold and 0.13% copper containing 10.4 million ounces of gold and 1.3 billion pounds of copper (using a revenue cutoff grade of US \$3.04 per tonne and a gold price of US \$400 and a copper price of US \$1.15 per pound). The Company expects to finance the construction of Brisas with a combination of debt and equity. The mine plan anticipates using conventional truck and shovel mining methods with the processing of ore at full production of 70,000 tonnes per day, yielding an average annual production of 456,000 ounces of gold and 60 million pounds of copper for a mine life of 18.5 years. Using copper as a byproduct, operating costs are expected to be US \$126 per ounce (using US \$470 per ounce of gold and US \$1.80 per pound of copper). The Qualified Personnel for the NI 43-101 Report are Susan Poos of Marston

and Marston, Inc. and Richard Addison and Richard Lambert of Pincock, Allen and Holt, all registered professional engineers.

### **Forward-Looking Statements**

Certain statements included herein, including those that express management's expectations or estimates of our future performance or concerning the Brisas Project, 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 at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause the actual financial results, performance, or achievements of Gold Reserve Inc. to be materially different from our estimated future results, performance, or achievements expressed or implied by those forward-looking statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation, concentration of operations and assets in Venezuela; corruption and uncertain legal enforcement; requests for improper payments; regulatory, political and economic risks associated with Venezuelan operations (including changes in previously established legal regimes, rules or processes); the ability to obtain or maintain the necessary permits or additional funding for the development of the Brisas Project; in the event any key findings or assumptions previously determined by us or our experts in conjunction with our 2005 bankable feasibility study (as updated or modified from time to time) significantly differ or change as a result of actual results in our expected construction and production at the Brisas Project (including capital and operating cost estimates); risk that actual mineral reserves may vary considerably from estimates presently made; impact of currency, metal prices and metal production volatility; fluctuations in energy prices; changes in proposed development plans (including technology used); our dependence upon the abilities and continued participation of certain key employees; and risks normally incident to the operation and development of mining properties. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

### **On Behalf of the Board of Directors:**

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