

GOLD RESERVE INC.
March 31, 2017
Interim Consolidated Financial Statements
U.S. Dollars
(unaudited)

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

	March 31, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 4)	\$ 34,039,962	\$ 35,747,049
Marketable securities (Notes 5 and 6)	451,850	541,216
Deposits, advances and other	577,012	153,916
Total current assets	35,068,824	36,442,181
Property, plant and equipment, net (Note 7)	12,048,139	12,046,496
Total assets	\$ 47,116,963	\$ 48,488,677
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses (Note 3)	\$ 700,761	\$ 691,409
Accrued interest	16,651	2,379
Total current liabilities	717,412	693,788
Convertible notes and interest notes (Note 11)	46,602,540	43,968,020
Other (Note 11)	1,012,491	1,012,491
Total liabilities	48,332,443	45,674,299
SHAREHOLDERS' EQUITY		
Serial preferred stock, without par value		
Authorized:	Unlimited	
Issued:	None	
Common shares	342,755,128	342,190,645
Class A common shares, without par value		
Authorized:	Unlimited	
Issued and outstanding:	2017...89,848,104	2016...89,710,604
Contributed Surplus (Note 11)	25,723,900	25,723,900
Stock options (Note 10)	21,603,437	17,353,725
Accumulated deficit	(391,651,752)	(382,897,065)
Accumulated other comprehensive income	353,807	443,173
Total shareholders' equity (deficit)	(1,215,480)	2,814,378
Total liabilities and shareholders' equity	\$ 47,116,963	\$ 48,488,677

Contingencies (Note 3)

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

Approved by the Board of Directors:

/s/ Patrick D. McChesney

/s/ James P. Geyer

GOLD RESERVE INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited - Expressed in U.S. dollars)

	Three Months Ended	
	March 31,	
	2017	2016
OTHER INCOME (LOSS)		
Gain on disposition of marketable securities	\$ —	\$ 48,300
Interest	15,032	2,112
Foreign currency loss	(8,344)	(5,491)
	6,688	44,921
EXPENSES		
Corporate general and administrative	5,391,534	747,709
Mixed Company (Note 8)	205,998	—
Exploration	28,694	61,552
Legal and accounting	149,070	193,268
Arbitration and Settlement (Note 3)	182,260	1,344,835
Equipment holding costs	155,026	209,467
Interest expense (Note 11)	2,648,793	2,410,384
	8,761,375	4,967,215
Net loss for the period	\$ (8,754,687)	\$ (4,922,294)
Net loss per share, basic and diluted	\$ (0.10)	\$ (0.06)
Weighted average common shares outstanding, basic and diluted	89,812,621	78,670,191

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

	Three Months Ended	
	March 31,	
	2017	2016
Net loss for the period	\$ (8,754,687)	\$ (4,922,294)
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to the consolidated statement of operations:		
Unrealized gain (loss) on marketable securities, net of tax of nil (Note 5)	(89,366)	132,781
Other comprehensive income (loss)	(89,366)	132,781
Comprehensive loss for the period	\$ (8,844,053)	\$ (4,789,513)

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

GOLD RESERVE INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Three Months Ended March 31, 2017 and the Year Ended December 31, 2016
(Unaudited - Expressed in U.S. dollars)

	Common Shares		Contributed Surplus	Stock Options	Accumulated Deficit	Accumulated Other Comprehensive Income
	Number	Amount				
Balance, December 31, 2015	76,447,147	\$ 290,467,418	\$ 30,435,625	\$ 20,523,325	\$ (361,351,373)	\$ 69,078
Net loss					(21,545,692)	
Other comprehensive income						374,095
Stock option compensation				14,907		
Fair value of options exercised		3,184,507		(3,184,507)		
Common shares issued for:						
Private placement, net of costs	8,562,500	34,108,113				
Option exercises	2,286,500	4,175,875				
Note conversions (Note 11)	2,414,457	10,254,732	(4,711,725)			
Balance, December 31, 2016	89,710,604	342,190,645	25,723,900	17,353,725	(382,897,065)	443,173
Net loss					(8,754,687)	
Other comprehensive loss						(89,366)
Stock option compensation				4,416,820		
Fair value of options exercised		167,108		(167,108)		
Common shares issued for:						
Option exercises	137,500	397,375				
Balance, March 31, 2017	89,848,104	\$ 342,755,128	\$ 25,723,900	\$ 21,603,437	\$ (391,651,752)	\$ 353,807

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

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

	Three Months Ended	
	March 31,	
	2017	2016
Cash Flows from Operating Activities:		
Net loss for the period	\$ (8,754,687)	\$ (4,922,294)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock option compensation	4,416,820	8,180
Depreciation	1,197	1,617
Gain on disposition of marketable securities	–	(48,300)
Accretion of convertible notes	2,634,520	2,396,057
Changes in non-cash working capital:		
Net decrease (increase) in deposits and advances	(423,096)	142,997
Net increase (decrease) in accounts payable and accrued expenses	23,624	(148,251)
Net cash used in operating activities	(2,101,622)	(2,569,994)
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(2,840)	(350,000)
Proceeds from disposition of marketable securities	–	48,300
Net cash used in investing activities	(2,840)	(301,700)
Cash Flows from Financing Activities:		
Proceeds from the issuance of common shares	397,375	4,136,860
Net cash provided by financing activities	397,375	4,136,860
Change in Cash and Cash Equivalents:		
Net increase (decrease) in cash and cash equivalents	(1,707,087)	1,265,166
Cash and cash equivalents - beginning of period	35,747,049	9,350,892
Cash and cash equivalents - end of period	\$ 34,039,962	\$ 10,616,058

The accompanying notes are an integral part of the 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. We are an exploration stage company 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. A significant portion of our activities relate to enforcement and collection efforts associated with the September 2014 Award in connection with Venezuela's seizure of our mining project known as the Brisas Project, the execution of the August 2016 Settlement Agreement and more recently the November 4, 2016 amended Settlement Agreement (the "Settlement Agreement") with Venezuela in regards to the payment of the Award and the acquisition of our Mining Data (See Note 3, Arbitral Award Settlement and Associated Mining Data Sale).

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, two Barbadian subsidiaries formed to hold our interest in and operate the Mixed Company as defined herein (See Note 8, Mixed Company) and several dormant subsidiaries domiciled in Venezuela, Canada and Barbados which were previously formed to hold our interest in our foreign subsidiaries or for future transactions. The Mixed Company is beneficially owned 55% by Venezuela and 45% by Gold Reserve. 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. As these unaudited interim consolidated financial statements do not contain all of the disclosures required by U.S. GAAP for annual financial statements, they should be read in conjunction with the annual financial statements and related notes included in our Annual Report on Form 40-F for the year ended December 31, 2016.

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 major Canadian and U.S. 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 holding costs 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.

Property, Plant and Equipment. Included in property, plant and equipment is certain equipment, the carrying value of which has been adjusted, as a result of impairment tests, to its estimated fair value of \$11.7 million and it is not being depreciated as it is not yet available for its intended 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 impairment charges and 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 and office equipment is depreciated using the straight-line method over 5 to 10 years. The remaining property, plant and equipment are fully depreciated.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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 the 2012 Equity Incentive Plan (the "2012 Plan") which provides for the grant of stock options to purchase our 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 10 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 share options, in addition to the fair value attributable to stock options granted, is credited to capital stock. We also maintain the Gold Reserve Director and Employee Retention Plan (the "Retention Plan"). Each Unit (each, a "Retention Unit") granted under the Retention Plan to a participant entitles such person to receive a cash payment equal to the fair market value of one Class A common Share (1) on the date the Retention Unit was granted or (2) on the date any such participant becomes entitled to payment, whichever is greater. We will not accrue a liability for these Retention Units until and unless events required for vesting of the units occur. Stock options and Retention Units granted under the respective plans 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 Loss Per Share. Net loss per share is computed by dividing net loss by the combined weighted average number of Class A common shares and equity units outstanding during each year. In periods in which a loss is incurred, the effect of potential issuances of shares under options and convertible notes would be anti-dilutive, and therefore basic and diluted losses per share are the same.

Convertible Notes. Convertible notes are initially recorded at estimated fair value and subsequently measured at amortized cost. The fair value is allocated between the equity and debt component parts based on their respective fair values at the time of issuance and recorded net of transaction costs. The equity portion of the convertible notes is estimated using the residual value method. The fair value of the debt component is accreted to the face value of the convertible notes using the effective interest rate method over the contractual life of the convertible notes, with the resulting charge recorded as interest expense.

Investments. We determine the appropriate classification of investments in equity securities at acquisition and reevaluate such classifications at each reporting date. Investments in incorporated entities in which the Company has the ability to exercise significant influence over the investee and the Company's ownership is between 20% and 50% are accounted for by the equity method.

GOLD RESERVE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Financial Instruments. Marketable equity securities are classified as available for sale with any unrealized gain or loss recorded in other comprehensive income. If a decline in fair value of a security is determined to be other than temporary, an impairment loss is recognized. Cash and cash equivalents, deposits and advances are accounted for at cost which approximates fair value. Accounts payable, convertible notes and interest notes are recorded at amortized cost. Amortized cost of accounts payable approximates fair value.

Contingent Value Rights. Contingent value rights ("CVRs") are obligations arising from the disposition of a portion of the rights to future proceeds of the Award against Venezuela and/or the sale of the Brisas Project technical mining data (the "Mining Data") that we compiled.

Note 2. New Accounting Policies:

Adopted in the year

In March 2016, the FASB issued ASU 2016-09, Compensation – Stock Compensation. The objective of this update is to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This update was effective for us January 1, 2017 and did not have an impact on our financial statements.

Recently issued accounting pronouncements

In January 2017, the FASB issued ASU 2017-01, Business Combinations. This update clarifies the definition of a business and adds guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This update is effective for us commencing with the annual period beginning after December 15, 2017 and interim periods within that annual period. We are still in the process of evaluating the impact of this standard.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows – Restricted Cash. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update is effective for us commencing with the annual period beginning after December 15, 2017 and interim periods within that annual period. We are still in the process of evaluating the impact of this standard.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows – Classification of Certain Cash Receipts and Cash Payments. This update is intended to reduce the existing diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective for us commencing with the annual period beginning after December 15, 2017 and interim periods within that annual period. We are still in the process of evaluating the impact of this standard.

In February 2016, the FASB issued ASU 2016-02, Leases. This update is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This update is effective for us commencing with the annual period beginning after December 15, 2018, including interim periods within that year. We are still in the process of evaluating the impact of this standard.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. This update is effective for us commencing with the annual period beginning after December 15, 2017. We do not expect the adoption of this standard will have a significant impact on our financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from contracts with customers. This standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This update is effective for us commencing with the annual period beginning after December 15, 2017. As we currently do not generate revenue from operations we do not expect the adoption of this standard will have a significant impact on our financial statements.

GOLD RESERVE INC.
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(Expressed in U.S. dollars)

Note 3. Arbitral Award Settlement and Associated 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") of the World Bank to obtain compensation for the losses caused by the actions of Venezuela that terminated the Brisas Project.

In September 2014, the ICSID Tribunal granted us an Arbitral Award (the "Award") totaling (i) \$713 million in damages, plus (ii) pre-award interest from April 2008 through the date of the Award based on the U.S. Government Treasury Bill Rate, compounded annually totaling, as of the date of the Award, approximately \$22.3 million and (iii) \$5 million for legal costs and expenses, for a total, as of September 22, 2014, of \$740.3 million. The Award (less legal costs and expenses) accrues post-award interest at a rate of LIBOR plus 2%, compounded annually. Since the Award was issued, we have diligently pursued enforcement and collection of the Award in France, England, Luxembourg and the United States.

In July 2016, we signed a settlement agreement with Venezuela which contemplated payment of the Award including interest of approximately \$770 million in respect of the Brisas project and acquisition of our mining data by Venezuela for \$240 million.

In early November 2016, and again in early December 2016, the parties executed addendums to the Settlement Agreement whereby the parties agreed to revise the payment schedule under which Venezuela would make payments related to the Award and Mining Data. The contemplated payments for the Award and Mining Data continue to be contingent upon Venezuela obtaining the necessary financing, which has not occurred and, as a result, as of the date of this report no payments have been made by Venezuela.

As of April 30, 2017, the amount owed by Venezuela to the Company, pursuant to the Award (and exclusive of any payments contemplated for the Mining Data), was approximately \$802 million (including post-award interest).

At the passing of the last agreed upon payment date, the board of directors chose to not formally terminate the Settlement Agreement as a result of the delay in the initial agreed upon payment(s), but instead instructed management to continue all efforts to work with Venezuela to complete the terms of the Settlement Agreement. Management has recently proposed and Venezuela is currently considering a third addendum to the Settlement Agreement, whereby the parties would agree, among other things, to revise the previously proposed payment schedule.

In October 2014 and January 2015, respectively, Venezuela filed annulment applications before the Paris Court of Appeal (the "Court") regarding the Award and the December 15, 2014 arbitral decision dismissing its request for rectification. During the same period, the Company applied to the Court for exequatur of the Award, which entails recognition and enforcement of the Award in France. The Court issued the exequatur on January 29, 2015 declaring the Award to be recognized and enforceable in France. On February 7, 2017, the Court rejected all of Venezuela's previous annulment arguments and issued a judgment dismissing the applications filed by Venezuela pending before the French courts in relation to the Award. In addition to the Award remaining enforceable in France, the Court ordered Venezuela to pay an amount of €150,000 for our legal fees and costs. Venezuela can consider appealing the judgment before the French Cour de cassation, which is the court of final resort in the French judicial system.

Obligations related to the collection of the Award

We have outstanding CVRs which entitle each holder that participated in the note restructuring completed in 2012 to receive, net of certain deductions (including income tax calculation and the payment of our then current obligations), a pro rata portion of a maximum aggregate amount of 5.468% calculated on the proceeds actually received by us with respect to the Award and/or the disposition of the Mining Data related to the development of the Brisas Project.

GOLD RESERVE INC.
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(Expressed in U.S. dollars)

The Board of Directors (the "Board") approved a Bonus Pool Plan (the "Bonus Plan") in May 2012, which is intended to compensate the participants, including executive officers, employees, directors and consultants, for their past and future contributions including their past efforts related to the development of the Brisas Project, execution of the Brisas Arbitration and the collection of an award and/or sale of the Mining Data. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized (calculated on substantially the same terms as the CVR) related to such transactions less applicable taxes multiplied by 1% of the first \$200 million and 5% 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 fully vested, subject to voluntary termination of employment or termination for cause.

The Company maintains the Gold Reserve Director and Employee Retention Plan (See Note 10). Each unit (the "Retention Units") granted to a participant entitles such person to receive a cash payment equal to the fair market value of one Gold Reserve Class A common share: (1) on the date the unit was granted or (2) on the date any such participant becomes entitled to payment, whichever is greater. Units previously granted under the plan become fully vested upon: (1) collection of Award proceeds from the ICSID arbitration process and/or sale of mining data totaling at least \$200 million and we agree to distribute a substantial majority of the proceeds to our shareholders or, (2) the event of a change of control. We currently do not accrue a liability for the Bonus or Retention Plan as events required for payment under the Plans have not yet occurred.

Upon payment of the Award or receipt of proceeds from the disposition of the Mining Data, subject to certain limitations, we are obligated to make an offer to existing holders to redeem the 2018 Notes at a price equal to 120% of the principal amount of 2018 Notes then outstanding.

Our current plan is to distribute to our shareholders, in the most cost efficient manner, a substantial majority of any net proceeds, subject to applicable regulatory requirements regarding capital and reserves for operating expenses, accounts payable and income taxes, and any obligations arising as a result of the collection of the Award and/or sale of the Mining Data. Such obligations include payments pursuant to the terms of the Convertible Notes (if not otherwise converted), Interest Notes, CVRs, Bonus Plan and Retention Plan (all as defined herein), contingent legal fees of approximately \$1.8 million which will become payable upon the collection of the Award or undertakings made to a court of law.

Note 4. Cash and Cash Equivalents:

	March 31, 2017	December 31, 2016
Bank deposits	\$ 4,400,423	\$ 1,122,542
Money market funds	29,639,539	34,624,507
Total	<u>\$ 34,039,962</u>	<u>\$ 35,747,049</u>

Note 5. Marketable Securities:

	March 31, 2017	December 31, 2016
Fair value at beginning of year	\$ 541,216	\$ 180,986
Dispositions, at cost	—	(96)
Realized gain	—	(60)
Impairment loss	—	(13,769)
Increase (decrease) in market value	(89,366)	374,155
Fair value at balance sheet date	<u>\$ 451,850</u>	<u>\$ 541,216</u>

The Company's marketable securities are classified as available-for-sale and are recorded at quoted market value with gains and losses recorded within other comprehensive income until realized or impaired. Realized gains and losses are based on the average cost of the shares held at the date of disposition. As of March 31, 2017 and December 31, 2016, marketable securities had a cost basis of \$98,043.

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(Expressed in U.S. dollars)

Note 6. Fair Value Measurements:

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 most observable level 2 inputs used for the convertible notes include the volume weighted average trading price of our common stock and the most recent observable trading history of the 2022 Notes (as defined in Note 11).

	Fair value			
	March 31, 2017		Level 1	Level 2
Marketable securities	\$	451,850	\$ 451,850	\$ –
Convertible notes and interest notes	\$	53,121,880	\$ –	\$ 53,121,880

	Fair value			
	December 31, 2016		Level 1	Level 2
Marketable securities	\$	541,216	\$ 541,216	\$ –
Convertible notes and interest notes	\$	77,164,724	\$ –	\$ 77,164,724

Note 7. Property, Plant and Equipment:

	Cost	Accumulated Depreciation	Net
March 31, 2017			
Machinery and equipment	\$ 11,677,534	\$ –	\$ 11,677,534
Furniture and office equipment	522,672	(502,067)	20,605
Leasehold improvements	41,190	(41,190)	–
Mineral property	350,000	–	350,000
	<u>\$ 12,591,396</u>	<u>\$ (543,257)</u>	<u>\$ 12,048,139</u>

	Cost	Accumulated Depreciation	Net
December 31, 2016			
Machinery and equipment	\$ 11,677,534	\$ –	\$ 11,677,534
Furniture and office equipment	519,832	(500,870)	18,962
Leasehold improvements	41,190	(41,190)	–
Mineral property	350,000	–	350,000
	<u>\$ 12,588,556</u>	<u>\$ (542,060)</u>	<u>\$ 12,046,496</u>

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the "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. which was recorded as mineral property.

Raven retains a royalty interest with respect to (i) precious metals produced and recovered from the Property equal to 3% of net smelter returns on such metals (the "Precious Metals Royalty") and (ii) base metals produced and recovered from the Property equal to 1% of net smelter returns on such metals, provided that 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.

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Machinery and equipment consists of infrastructure and milling equipment intended for use on the Brisas Project. We continually evaluate our equipment to determine whether events or changes in circumstances have occurred that may indicate impairment has occurred. We review comparable market data for evidence that fair value less cost to sell is in excess of the carrying amount. In December 2016, based on market valuations for mining equipment which included the review of transactions involving comparable assets, we recorded a write-down of \$0.6 million to an estimated fair value.

Note 8. Mixed Company:

In August 2016, we executed an agreement ("Mixed Company Agreement") with Venezuela for the formation of a jointly owned company ("Mixed Company") and in October 2016, together with Venezuela, we established Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera"), the entity whose mission is to develop the Brisas Cristinas Project.

Siembra Minera is beneficially owned 55% by Corporacion Venezolana De Minería, S.A., a Venezuelan government corporation, and 45% by Gold Reserve and the parties will retain their respective interest in Siembra Minera in the event the agreed upon payments, pursuant to the Settlement Agreement, are not made by Venezuela. Siembra Minera holds the gold, copper, silver and other strategic mineral rights within Bolivar State, including the Brisas Cristinas Project, (each having a 40 year term comprised of 20 years with two 10 year extensions) and will, among other things be authorized, via Presidential Decrees and Ministerial and Central Bank resolutions, to carry-on it's business, pay a net smelter return royalty to Venezuela on the sale of gold, copper, silver and any other strategic minerals over the life of the project and provide net profits participation based on the sales price of gold per ounce. The Mixed Company has not recorded any expense to date as its initial costs have been borne by the Company and Venezuela. During the three months ended March 31, 2017 the Company incurred \$0.2 million related to the Mixed Company.

Note 9. KSOP Plan:

The KSOP Plan, adopted in 1990 for retirement benefits of employees, is comprised of two parts, (1) a salary reduction component, and a 401(k) which includes provisions for discretionary contributions by us, and (2) an employee share ownership component, or ESOP. Allocation of Class A common shares or cash to participants' accounts, subject to certain limitations, is at the discretion of the Board. There have been no Class A common shares allocated to the KSOP Plan since 2011. Cash contributions for plan year 2016 were approximately \$163,000. As of March 31, 2017, no contributions by the Company had been made for plan year 2017.

Note 10. Stock Based Compensation Plans:

Equity Incentive Plans

On June 27, 2012, the shareholders approved the 2012 Equity Incentive Plan (the "2012 Plan") to replace our previous equity incentive plans. In 2014, the Board amended and restated the 2012 Plan changing the maximum number of Class A common shares issuable under options granted under the 2012 Plan from a "rolling" 10% of the outstanding Class A common shares to a fixed number of 7,550,000 Class A common shares. On September 19, 2016, the Board approved an amendment and restatement of the 2012 Plan to increase the maximum number of shares issuable thereunder to 8,750,000, representing less than 10% of the issued and outstanding Class A Common Shares of the Company at such date. Such amendment was approved by the TSX Venture Exchange ("TSXV") on October 6, 2016.

As of March 31, 2017, there were 1,710,000 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 2012 Plan.

GOLD RESERVE INC.
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Stock option transactions for the three months ended March 31, 2017 and 2016 are as follows:

	2017		2016	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding - beginning of period	3,357,000	\$ 2.84	5,643,500	\$ 2.43
Options granted	5,152,500	3.16		
Options exercised	(137,500)	2.89	(2,273,000)	1.82
Options expired	(1,469,500)	2.89	-	-
Options outstanding - end of period	6,902,500	\$ 3.07	3,370,500	\$ 2.85
Options exercisable - end of period	5,877,502	\$ 3.05	3,345,500	\$ 2.84

The following table relates to stock options at March 31, 2017:

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)
\$1.92	875,000	\$1.92	\$778,750	4.19	875,000	\$1.92	\$778,750	4.19
\$3.00	250,000	\$3.00	-	1.20	250,000	\$3.00	-	1.20
\$3.15	5,027,500	\$3.15	-	9.88	4,002,502	\$3.15	-	9.88
\$3.45	125,000	\$3.45	-	9.81	125,000	\$3.45	-	9.81
\$3.89	100,000	\$3.89	-	2.96	100,000	\$3.89	-	2.96
\$3.91	215,000	\$3.91	-	9.25	215,000	\$3.91	-	9.25
\$4.02	310,000	\$4.02	-	7.32	310,000	\$4.02	-	7.32
\$1.92 - \$4.02	6,902,500	\$3.07	\$778,750	8.58	5,877,502	\$3.05	\$778,750	8.35

During the three months ended March 31, 2017 and 2016, the Company granted 5,152,500 and NIL stock options, respectively. In the first quarter of 2017 and 2016 approximately 0.1 million and 2.3 million outstanding options were exercised, respectively for net proceeds to the Company of approximately \$0.4 million and \$4.1 million, respectively. The Company recorded non-cash compensation expense during the three months ended March 31, 2017 and 2016 of \$4,416,820 and \$8,180, respectively for stock options granted in 2017 and prior periods.

The weighted average fair value of the options granted in the first three months of 2017 was calculated at \$1.05. The fair value of options granted was determined using the Black-Scholes model based on the following weighted average assumptions:

Risk free interest rate	2017
Expected term	1.22%
Expected volatility	2 years
Dividend yield	59%
	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 the Company's stock over a period equal to the expected term of the option.

GOLD RESERVE INC.
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Retention Plan and Change of Control Agreements

The Company maintains the Gold Reserve Director and Employee Retention Plan. Each unit (the "Retention Units") granted to a participant entitles such person to receive a cash payment equal to the fair market value of one Gold Reserve Class A common share: (1) on the date the unit was granted or (2) on the date any such participant becomes entitled to payment, whichever is greater. Units previously granted under the plan become fully vested upon: (1) collection of Award proceeds from the ICSID arbitration process and/or sale of mining data totaling at least \$200 million and we agree to distribute a substantial majority of the proceeds to its shareholders or, (2) the event of a change of control. A "Change of Control", as it relates to the Retention Plan, means one or more of the following: the acquisition by any individual, entity or group, of beneficial ownership of the Company of 25 percent of the voting power of the 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; solicitation of proxies or consents by or on behalf of a person other than the 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 March 31, 2017 an aggregate of 1,457,500 unvested units have been granted to directors and executive officers of the Company and 315,000 unvested units have been granted to other employees. The Company currently does not accrue a liability for these units as events required for vesting of the units have not yet occurred. The minimum value of these units, based on the grant date value of the Class A common shares, was approximately \$7.8 million. The Company also maintains change of control agreements with certain officers and employees. As of March 31, 2017, the amount payable under these agreements in the event of a change of control, including unvested retention units, was approximately \$14.2 million.

Note 11. Convertible Notes and Interest Notes:

The amount recorded as Convertible Notes and Interest Notes in the consolidated balance sheet as of March 31, 2017 is comprised of approximately \$37.9 million carrying value of 11% Senior Secured Convertible Notes due December 31, 2018 (the "2018 Convertible Notes"), approximately \$1.0 million of 2022 Convertible Notes (as defined herein) and approximately \$7.7 million of Interest Notes (as defined herein). The carrying value of the 2018 Convertible Notes is being accreted to face value using the effective interest rate method over the expected life of the 2018 Convertible Notes with the resulting charge recorded as interest expense.

The 2018 Convertible Notes bear interest at a rate of 11% per year which is accrued quarterly and is payable in the form of new 11% Senior Secured Interest Notes due December 31, 2018 (the "Interest Notes" and, together with the 2018 Convertible Notes, the "2018 Notes") and payable in cash at maturity. Interest on the Interest Notes is also payable in additional Interest Notes. The 2018 Convertible Notes are convertible, at the option of the holder, into 333.3333 Class A common shares per \$1,000 principal amount (equivalent to a conversion price of \$3.00 per common share) at any time upon prior written notice to us. The Interest Notes are not convertible into our Class A common shares or any other security. We also have outstanding \$1.0 million aggregate principal amount of 5.50% Senior Subordinated Convertible Notes due June 15, 2022 (the "2022 Convertible Notes" and, together with the 2018 Convertible Notes, the "Convertible Notes") issued in May 2007 with a maturity date of June 15, 2022. The 2022 Convertible Notes bear interest at a rate of 5.50% per year, payable semiannually in arrears on June 15 and December 15 and, subject to certain conditions we may redeem, repurchase or convert the 2022 Convertible Notes into our Class A common shares at a conversion price of \$7.54 per common share.

The 2018 Notes are secured by substantially all of our assets and are subject to certain terms including: (1) the Award and the Mining Data, or any payments made thereon, may not be pledged without consent of holders comprising at least 75% in aggregate principal amount of outstanding 2018 Notes; (2) subject to certain exceptions, we may not incur any additional indebtedness without consent of holders comprising at least 75% in aggregate principal amount of the outstanding 2018 Notes; (3) to the extent the 2018 Notes remain outstanding, each holder of the Secured Notes will have the right to participate, on a pro-rata basis based on the amount of equity it holds, including Class A common shares issuable upon conversion of convertible securities, in any future equity (or equity-linked) or debt financing; (4) the 2018 Notes shall be redeemable on a pro-rata basis, by us at the note holders' option, for an amount of cash equal to 120% of the outstanding principal balance upon (a) the issuance of a final Arbitration Award, with respect to which enforcement has not been stayed and no annulment proceeding is pending, or (b) our receipt of proceeds from the sale of the Mining Data; provided we shall only be obligated to make a

GOLD RESERVE INC.
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redemption to the extent net cash proceeds received are in excess of \$20,000,000, net of taxes and \$13,500,000 to fund professional fees and expenses and accrued and unpaid prospective operating expenses; (5) capital expenditures (including exploration and related activities) shall not exceed an aggregate of \$500,000 in any 12-month period without the prior consent of holders of a majority in the aggregate principal amount of the outstanding 2018 Notes; (6) subject to certain exceptions, we shall not incur, create or suffer to exist any liens securing indebtedness without consent of holders comprising at least 75% in aggregate principal amount of the outstanding 2018 Notes; and (7) we shall not agree with any holder of the 2018 Notes to any amendment or modification to any terms of any security issued under the indenture governing the 2018 Notes, provide any fees or other compensation whether in cash or in-kind to any holder of such securities, or engage in the repurchase, redemption or other defeasance of any such security without offering such terms, compensation or defeasance to all holders of the 2018 Notes on an equitable and pro-rata basis.

In accordance with U.S. GAAP, we allocated the 2018 Convertible Notes between their equity and liability component parts based on their respective fair values at the time of issuance. The liability component was computed by discounting the stream of future payments of interest and principal at an effective interest rate of 27% which was the estimated market rate for a similar liability that does not have an associated equity component. The equity portion of the 2018 Convertible Notes was estimated using the residual value method at approximately \$18.2 million net of issuance costs which were allocated pro rata between the equity and liability components. The fair value of the liability component is accreted to the face value of the 2018 Notes using the effective interest rate method over the expected life of the 2018 Convertible Notes, with the resulting charge recorded as interest expense.

In 2016, \$7.2 million face value of 2018 Convertible Notes were converted at a price of \$3.00 per share resulting in the issuance of 2.4 million Class A common shares. As of March 31, 2017, the Company had \$50.9 million face value of Convertible Notes and \$7.7 million face value of Interest Notes outstanding. Pursuant to a 2012 restructuring of convertible notes, we issued CVRs that entitle the holders to an aggregate of 5.468% of any future proceeds, net of certain deductions (including income tax calculation and the payment of our then current obligations), actually received by us with respect to the Brisas Arbitration proceedings and/or disposition of the Mining Data.

GOLD RESERVE INC.
March 31, 2017
Management's Discussion and Analysis
U.S. Dollars
(unaudited)

Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

This Management's Discussion and Analysis of Financial Condition and Results of Operations, dated May 19, 2017 is intended to assist in understanding and assessing our results of operations and financial condition and should be read in conjunction with the March 31, 2017 interim consolidated financial statements and related notes.

Gold Reserve, an exploration stage mining company, is engaged in the business of acquiring, exploring and developing mining projects. Management's recent activities have included:

- Continued efforts to realize on the terms of the Settlement Agreement, as amended, which contemplates payment of the Award (including accrued interest) in the amount of approximately \$802 million in respect of the Brisas project and the acquisition by Venezuela of the Mining Data for \$240 million. The board of directors chose to not formally terminate the Settlement Agreement as a result of the delay in the initial agreed upon payment(s), but instead instructed management to continue all efforts to work with Venezuela to complete the terms of the Settlement Agreement. Management has recently proposed and Venezuela is currently considering a third addendum to the Settlement Agreement, whereby the parties would agree, among other things, to revise the previously proposed payment schedule.
- Ongoing activities related to Empresa Mixta Ecosocialista Siembra Minera, S.A., ("Siembra Minera") and the development of the administrative infrastructure to carry out activities related to the development of the Brisas Cristinas Project. These activities have included, among other things, drafting an Engineering Procurement Construction Management ("EPCM") contract between GR Engineering and Siembra Minera, conducting preliminary meetings with government and private contractors and consultants and the development of a small miner and relocation plan; identifying office and operations facilities and identifying administrative and operations personnel; and
- Continued legal efforts in the United States and Luxembourg to maintain the Company's posture for potential future legal activities related to enforcement of the Award in the event payment under Settlement Agreement is not received.

BRISAS ARBITRAL AWARD SETTLEMENT 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") of the World Bank to obtain compensation for the losses caused by the actions of Venezuela that terminated the Brisas Project.

In September 2014, the ICSID Tribunal granted us an Arbitral Award (the "Award") totaling (i) \$713 million in damages, plus (ii) pre-award interest from April 2008 through the date of the Award based on the U.S. Government Treasury Bill Rate, compounded annually totaling, as of the date of the Award, approximately \$22.3 million and (iii) \$5 million for legal costs and expenses, for a total, as of September 22, 2014, of \$740.3 million. The Award (less legal costs and expenses) accrues post-award interest at a rate of LIBOR plus 2%, compounded annually. Since the Award was issued, we have diligently pursued enforcement and collection of the Award in France, England, Luxembourg and the United States.

In July 2016, we signed a settlement agreement with Venezuela which contemplated payment of the Award including interest of approximately \$770 million in respect of the Brisas project and acquisition of our mining data by Venezuela for \$240 million.

In early November 2016, and again in early December 2016, the parties executed addendums to the Settlement Agreement whereby the parties agreed to revise the payment schedule under which Venezuela would make payments related to the Award and Mining Data. The contemplated payments for the Award and Mining Data continue to be contingent upon Venezuela obtaining the necessary financing, which has not occurred and, as a result, as of the date of this report no payments have been made by Venezuela.

As of April 30, 2017, the amount owed by Venezuela to the Company, pursuant to the Award (and exclusive of any payments contemplated for the Mining Data), was approximately \$802 million (including post-award interest).

At the passing of the last agreed upon payment date, the board of directors chose to not formally terminate the Settlement Agreement as a result of the delay in the initial agreed upon payment(s), but instead instructed management to continue all efforts to work with Venezuela to complete the terms of the Settlement Agreement. Management has recently proposed and Venezuela is currently considering a third addendum to the Settlement Agreement, whereby the parties would agree, among other things, to revise the previously proposed payment schedule.

Obligations Due Upon Collection of Arbitral Award and Sale of Brisas Mining Data

We have outstanding Contingent Value Rights ("CVRs"), which are obligations arising from the disposition of a portion of the rights to future proceeds of the Award against Venezuela and/or the sale of the Brisas Project technical mining data (the "Mining Data").

The CVRs entitle each holder that participated in the note restructuring completed in 2012 to receive, net of certain deductions (including income tax calculation and the payment of our then current obligations), a pro rata portion of a maximum aggregate amount of 5.468% of the proceeds actually received by us with respect to the Award or disposition of the Mining Data. The proceeds associated with the Award or sale of the Mining Data, if any, could be cash, commodities, bonds, shares and/or any other consideration we receive and if such proceeds are other than cash, the fair market value of such non-cash proceeds, net of any required deductions (e.g., for taxes) will be subject to the CVRs and will become our obligation only as the Award is collected and/or the Mining Data is sold.

The Board of Directors (the "Board") approved a Bonus Pool Plan (the "Bonus Plan") in May 2012, which is intended to compensate the participants, including executive officers, employees, directors and consultants, for their past and future contributions including their past efforts related to the development of the Brisas Project, execution of the Brisas Arbitration and the collection of an award and/or sale of the Mining Data. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized (calculated on substantially the same terms as the CVR) related to such transactions less applicable taxes multiplied by 1% of the first \$200 million and 5% 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 fully vested, subject to voluntary termination of employment or termination for cause.

We also maintain the Gold Reserve Director and Employee Retention Plan (the "Retention Plan") (See Note 10 to the consolidated financial statements). Each Unit (the "Retention Units") granted entitles such participant to receive a cash payment equal to the fair market value of one Class A: Share (a) on the date the Unit was granted or (b) on the date any such participant becomes entitled to payment, whichever is greater. Units previously granted under the plan become fully vested upon: (1) collection of proceeds from the Award and/or sale of the Mining Data totaling at least \$200 million and we agree to distribute a substantial majority of the proceeds to our shareholders or, (2) the event of a change of control. A "Change of Control", as it relates to the Retention Plan, means one or more of the following: the acquisition by any individual, entity or group, of beneficial ownership of the Company of 25 percent of the voting power of the 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; solicitation of proxies or consents by or on behalf of a person other than the 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 March 31, 2017 an aggregate of 1,457,500 unvested units have been granted to directors and executive officers of the Company and 315,000 units have been granted to other employees. The Company currently does not accrue a liability for these units as events required for vesting of the units have not yet occurred. The minimum value of these units, based on the grant date value of the Class A common shares, was approximately \$7.8 million. The Company also maintains change of control agreements with certain officers and employees. As of March 31, 2017, the amount payable under these agreements in the event of a change of control, including unvested retention units, was approximately \$14.2 million. An estimated \$1.8 million of contingent legal fees will also become due upon the collection of the Award.

Upon payment of the Award or receipt of proceeds from the disposition of the Mining Data, subject to certain limitations, we are obligated to make an offer to existing holders to redeem the 2018 Notes (as defined herein) at a price equal to 120% of the principal amount of 2018 Notes then outstanding.

Our Intent to Distribute Collection of the Arbitral Award to Shareholders

Subject to applicable regulatory requirements regarding capital and reserves for operating expenses, accounts payable and income taxes, and any obligations arising as a result of the collection of the Award or sale of the Mining Data including payments pursuant to the terms of the Convertible Notes (if not otherwise converted), Interest Notes, CVRs, Bonus Plan and Retention Plan (all as defined herein) or undertakings made to a court of law, our current plans are to distribute to our shareholders, in the most cost efficient manner, a substantial majority of any net proceeds.

EXPLORATION PROSPECTS

Siembra Minera

In October 2016, we took steps together with Venezuela to establish a jointly owned company ("Mixed Company"), Siembra Minera, the entity whose mission is to develop the Brisas Cristinas Project. Siembra Minera is beneficially owned 55% by Venezuela and 45% by Gold Reserve and the parties will retain their respective interest in Siembra Minera in the event the agreed upon payments, pursuant to the Settlement Agreement, are not made by Venezuela. The mining project term is 40 years (20 years with two 10 year extensions).

Generally the terms of the Mixed Company Agreement include:

- Siembra Minera holds the rights to the gold, copper, silver and other strategic minerals contained within a 18,950 hectare area located in the Km 88 gold mining district of southeast Bolivar State which includes the Brisas Cristinas Project. Siembra Minera obtained these rights in the first quarter of 2017;
- GR Engineering, under a Technical Services Agreement, will 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;
- 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), will or have been issued to provide for tax and fiscal incentives for 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;
- Gold price participation, in accordance with an agreed upon 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;
- Net smelter return royalty ("NSR") to Venezuela on the sale of gold, copper, silver and any other strategic minerals of 5% for the first ten years of commercial production, 6% for the next ten years;
- Income tax rate of 14% from inception to year five, 19% for years 6 to 10, 24% for years 11 to 15, 29% for years 16 to 20 and 34% thereafter;
- The parties agreed to work together to complete financing(s) to jointly fund the contemplated \$2.1 billion anticipated capital costs of the Brisas Cristinas project on behalf of Siembra Minera, which is expected to be comprised of a combination of project financing, development agencies, equipment manufacturer, offtake and smelter financings. In order to facilitate the early startup of the pre-operation and construction activities, Venezuela agreed to advance \$110.2 million to Siembra Minera, which will be repaid from the financing proceeds;
- Funds associated with future capital cost financings will be held in offshore US dollar accounts and dividends and profit distributions, if any, will be directly paid to the shareholders;

- All funds will be converted into local currency at the most favorable exchange rate offered by Venezuela to other entities to pay, as required, Venezuela income taxes and annual operating and capital costs denominated in Bolivars for the Brisas Cristinas Project. Venezuela agrees to use its best efforts to grant to Siembra Minera similar terms that would apply to the Brisas Cristinas 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 above tax and fiscal incentives;
- Venezuela will indemnify us and our affiliates against any future legal actions associated with the Brisas Cristinas Project; and
- The board of directors is comprised of seven individuals, of which four are appointed by Venezuela and three by us.

Brisas Cristinas Location

The Brisas Cristinas Project is located in the Guyana region, in the Kilometer (Km) 88 gold mining district of Bolivar State in southeast Venezuela. The name Kilometer 88 for the district came from the area being located near kilometer 88 marker of the road linking El Dorado (Km 0) with the Brazilian border (Pan American Highway or Highway 10). Las Claritas is the closest town to the property. The closest nearby large city is Puerto Ordaz situated on the Orinoco River near its confluence with the Caroní River. Puerto Ordaz is home to most of the major industrial facilities like the aluminum smelters and port facilities accessible to ocean-going vessels from the Atlantic Ocean via the Orinoco River, a distance of about 200 kilometers.

Brisas Cristinas Combined

Brisas and Cristinas properties are immediately adjacent to each other. Historical studies for both projects show their respective pit designs coming within a few hundred meters of each other and mineralization continuing in-line along strike over a distance of 5 to 6 kilometers covering both areas. The void between the projects, the Potaso area, had never been significantly drilled due to a large man-made lake that was a result of historical small miner activity. However, based on historical small miner activities in the immediate area and the alignment of strike and dip of mineralization being almost identical on both properties, we believed that it was highly likely that the mineralization continued between the pits.

The concept of combining the Brisas and Cristinas properties was first evaluated in the year 2000 and as part of that effort we studied additional economic aspects of developing and exploiting the mineralization on the properties. It was determined that not only did the adjoining properties share one large, continuous mineral deposit, but developing and exploiting this mineralization in a combined project would have less impact on the environment than two separate projects, and as a result would create efficiencies and economies of scale that would enhance the combined project economics. The concept was developed utilizing Brisas information combined with available Cristinas data from public records and permit documents.

In 2001 INGEOMIN, the Venezuelan government's Geological & Mining Institute prepared a comprehensive report evaluating the environmental, social and economic impacts of the combined project being proposed by us and strongly recommended its implementation. However, Venezuela decided to move forward, on a standalone basis, with the Las Cristinas project with Crystallex while we continued our work on the combined project in parallel with our efforts to develop the Brisas Project.

Multiple mineral resource estimates and feasibility studies, that are no longer current, have been completed on each individual property in the past and Siembra Minera plans to complete a new resource estimate on the combined properties in the future with a view to preparing a Preliminary Economic Assessment ("PEA") in accordance with National Instrument 43-101- Standards of Disclosure for Mineral Projects ("NI 43-101").

We believe that based on previous studies the Brisas Cristinas Project has the potential to be a large open pit mining project. Our base plan is to combine the Brisas and Cristinas properties into one project and utilize the 2008 Brisas design and layout as an initial blue print. This concept eliminates the duplication of infrastructure facilities and staff from the previously independent project plans. It reduces the project footprint or disturbed ground by 30 to 40% of the area from what was anticipated for the independently developed projects. As a result, it allows the down-dip expansion of the pit area for increased recovery of addition potential ore resources while reducing related environmental impacts significantly. The Brisas site would be the starting point for the project due to its advanced stage of design, environmental permitting and readiness for construction activity.

Brisas Cristinas Initial Scope of work

Siembra Minera will focus its initial staffing efforts towards providing the future management group the required organization structure, policies and facilities to support its workforce and expects to employ a project director and a general manager as soon as is possible. Thereafter, additional key staff positions are expected to be filled and the following tasks will be implemented:

- Identify and lease secure office facilities with reliable access to utilities such as electrical power, telephone and secure high speed internet and source office furniture and IT hardware.
- Engage professional consultants with very proven success in technical matters, engineering, design, operations experience and international environmental & social standards required to conduct data research, studies, resource estimates, pit design, mine plans, complete engineering & design work, prepare drawings, specifications, procurement documents and other documents for permits and reports.
- Engage consultants to assist in acquiring Venezuela visas, provide for incoming/outgoing transportation, day to day office work and transportation, living accommodations or housing assistance.
- Prepare and implement security policies, transportation and housing policies, hire and train security staff, acquire vehicles and equipment. It will be necessary to determine number of security people including those required for rotating shift assignments and number and type of vehicles.
- Complete initial contractual agreement between GR Engineering and Siembra Minera for EPCM services which will allow for the engagement of consultants and early-works contractors. A more extensive contract document will be completed as significant detail engineering, procurement and construction takes place.
- Prepare and submit updated permit applications for approval of early-works construction which will include timber clearing, road building and sediment control structures in areas of the access roads, overland conveyor corridor, powerline corridor, process plant, man camp area, rock quarry and tailings dam area. In conjunction with the permit application; we expect to prepare and submit a draft scope of work, design specifications and drawings for construction.
- Assemble a temporary work facility and temporary housing or man camp for Company employees and consultants associated with the early-works and field data collection required for the International ESIA.
- Prepare and implement long-term small miner consultation, relocation and education program.
- Implement public consultation regarding the plans for construction, operations, reclamation, project size & magnitude providing for mitigation of the impact upon the general public and communities surrounding the project area.
- Prepare a preliminary ESIA document using existing information from the Brisas Project, which would exclude updated field data and the result of the small miner and public consultation, but would allow for the initiation of discussions with institutions for project financing and for preparation of Venezuela environmental permits. A more substantial final ESIA would be completed when the Cristinas field data is collected, combined project engineering and design is substantially complete and the small miner and public consultations with mitigation plans are complete.
- Initiate the preparation of a Preliminary Economic Assessment NI 43-101 document by an independent engineering company allowing for the public disclosure of resource tonnages, metal grade, annual production and any economic projections and providing support for obtaining international bank or financial institution project financing.

- Engage an international engineering contractor and initiate detail engineering work which will provide information regarding engineering, design and cost estimates for completion of a feasibility study. This effort will also provide design specification and pricing information that is needed for ordering long lead time equipment. The work would also support public consultations activities, permitting efforts, and completion of an updated NI 43-101 document. The new NI 43-101 will include the feasibility study results and provide a proven and probable reserve estimate for public disclosure and financing.

LMS Gold Project

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the “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 a royalty interest with respect to (i) “Precious Metals” produced and recovered from the Property equal to 3% of “Net Smelter Returns” on such metals (the “Precious Metals Royalty”) and (ii) “Base Metals” produced and recovered from the Property equal to 1% of Net Smelter Returns on such metals, provided that 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. The Property consists of 36 contiguous State of Alaska mining claims covering 61 km² in the Goodpaster Mining District situated approximately 25 km north of Delta Junction and 125 km southeast of Fairbanks, Alaska.

The Property remains at an early stage of exploration and is the subject of a National Instrument 43-101 Technical Report entitled “Technical Report on the LMS Gold Project, Goodpaster Mining District, Alaska” dated February 19, 2016 prepared for us by Ed Hunter, BSc., P. Geo and Gary H. Giroux, M.A. Sc., P. Eng.

Financial Overview

Our overall financial position continues to be influenced by the seizure of our mining project known as the Brisas Project by the Venezuelan government, legal costs related to obtaining the Award and efforts to enforce and collect it, restructuring of outstanding convertible notes in 2012, 2014 and 2015 and related interest expense. Recent operating results continue to be impacted by expenses associated with the enforcement and collection of the Award and more recent efforts to come to a settlement of the Award, formation of the Siembra Minera, interest expense related to our debt and maintaining our legal and regulatory obligations in good standing.

We have no commercial production and, as a result, continue to experience losses from operations, a trend we expect to continue unless we collect, in part or whole, the Award, proceeds from the sale of the Mining Data and/or successfully develop the Brisas Cristinas or LMS Gold Projects.

Historically we have financed our operations through the issuance of common stock, other equity securities and debt. 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 collection, if any, of the Award, sale of remaining Brisas Project related equipment, the timing of the conversion or maturity of the outstanding Convertible Notes and Interest Notes 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 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.

Liquidity and Capital Resources

At March 31, 2017, the Company had cash and cash equivalents of approximately \$34.0 million which represents a decrease from December 31, 2016 of approximately \$1.7 million. The net decrease was due to cash used in operations as more fully described in the “Operating Activities” section below, partially offset by proceeds from the exercise of stock options of approximately \$0.4 million.

	2017	Change	2016
Cash and cash equivalents	\$ 34,039,962	\$ (1,707,087)	\$ 35,747,049

As of March 31, 2017, we had financial resources including cash, cash equivalents and marketable securities totaling approximately \$34.5 million, Brisas Project related equipment with an estimated net realizable value of approximately \$11.7 million (See Note 7 to the consolidated financial statements), short-term financial obligations including accounts payable and accrued expenses of approximately \$0.7 million and long-term indebtedness of approximately \$58.6 million face value. The Company has contingent legal fees which will become payable upon the collection of the Award of approximately \$1.8 million.

We have no revenue producing operations at this time and our working capital position, cash burn rate and debt maturity schedule will require us to seek additional sources of funding to ensure our ability to continue our activities in the normal course. We are continuing our efforts to realize value from the remaining Brisas Project related assets and pursue a timely collection or settlement of the Award and sale of the Mining Data. We may also initiate other debt and equity funding alternatives that may be available.

Operating Activities

Cash flow used in operating activities for the three months ended March 31, 2017 and 2016 was approximately \$2.1 million and \$2.6 million, respectively. Cash flow used in operating activities consists of net operating losses (the components of which are more fully discussed below) adjusted for non-cash expense items primarily related to stock option compensation, accretion of convertible notes recorded as interest expense and certain non-cash changes in working capital.

Cash flow used in operating activities during the three months ended March 31, 2017 decreased from the prior comparable period primarily due to decreases in costs associated with collection and/or settlement efforts related to the Arbitral Award partially offset by expenses related to the Mixed Company.

Investing Activities

During the three months ended March 31, 2016, the Company acquired the LMS Gold Project for \$0.35 million and recorded proceeds from the disposition of marketable securities of \$0.05 million. As of March 31, 2017, the Company held approximately \$11.7 million of Brisas project related equipment intended for future sale or use.

Financing Activities

During the three months ended March 31, 2017 and 2016, certain directors, officers, employees and consultants exercised approximately 0.1 million and 2.3 million outstanding options, respectively for net proceeds to the Company of approximately \$0.4 million and \$4.1 million, respectively.

Contractual Obligations

The following table sets forth information on the Company's material contractual obligation payments for the periods indicated as of March 31, 2017 (For further details see Note 11 to the consolidated financial statements):

	Payments due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	More Than 5 Years
Convertible Notes ¹	\$ 50,852,345	\$ -	\$ 49,814,345	\$ -	\$ 1,038,000
Interest Notes	19,763,220	-	19,763,220	-	-
Interest	313,995	57,090	114,180	114,180	28,545
	\$ 70,929,560	\$ 57,090	\$ 69,691,745	\$ 114,180	\$ 1,066,545

- 1 Includes \$49,814,345 principal amount of remaining 11% Senior Secured Convertible Notes due December 31, 2018 (the "2018 Convertible Notes") and 11% Senior Secured Interest Notes due December 31, 2018 (the "Interest Notes" and, together with the 2018 Convertible Notes, the "2018 Notes") from previous financings and restructurings and \$1,038,000 principal amount of 5.50% Convertible Notes due June 15, 2022 (the "2022 Convertible Notes" and, together with the 2018 Notes, the "Notes"). The amounts shown above include the principal payments due unless the Notes are converted into our Class A common shares (other than the Interest Notes), redeemed or repurchased prior to their due date pursuant to the terms of the indenture governing the Notes. The amount recorded as convertible notes and interest notes in the consolidated balance sheet as of March 31, 2017 is comprised of approximately \$37.9 million carrying value of 2018 Convertible Notes, approximately \$1.0 million of 2022 Convertible Notes and Interest Notes of approximately \$7.7 million. The carrying value of convertible notes will be accreted to face value using the effective interest rate method over the expected life of the notes with the resulting charge recorded as interest expense. (See Note 11 to the consolidated financial statements).

Results of Operations

Summary Results of Operations

	2017	2016	Change
Other Income	\$ 6,688	\$ 44,921	\$ (38,233)
Total Expenses	(8,761,375)	(4,967,215)	(3,794,160)
Net Loss	\$(8,754,687)	\$(4,922,294)	\$(3,832,393)

Consolidated net loss for the three months ended March 31, 2017 was approximately \$8.8 million representing an increase of \$4.9 million over the prior comparable period in 2016.

Other Income

	2017	2016	Change
Gain on disposition of marketable securities	\$ –	\$ 48,300	\$ (48,300)
Interest	15,032	2,112	12,920
Foreign currency gain (loss)	(8,344)	(5,491)	(2,853)
	\$ 6,688	\$ 44,921	\$ (38,233)

As the Company has no commercial production at this time, other income is typically variable from period to period. The change in other income was primarily due to gain on disposition of marketable securities in 2016 and an increase in interest income in 2017 as a result of increased levels of cash.

Expenses

Corporate general and administrative expense for the three months ended March 31, 2017 increased from the comparable period in 2016 primarily due to an increase of \$4.4 million in non-cash charges associated with the issuance of stock options. Expenses associated with the Mixed Company totaled approximately \$0.2 for the three months ended March 31, 2017. Expenses related to the Arbitration and Settlement during the three months ended March 31, 2017 decreased from the comparable period in 2016 by approximately \$1.2 million due to reduced enforcement and collection activities as a result of the signing of the Settlement Agreement, as amended, in 2016. The increase in interest expense was due to an increase in accretion of convertible notes to face value. Overall, total expenses for the three months ended March 31, 2017 increased by approximately \$3.8 million over the comparable period in 2016.

	2017	2016	Change
Corporate general and administrative	\$ 5,391,534	\$ 747,709	\$ 4,643,825
Mixed Company	205,998	–	205,998
Exploration	28,694	61,552	(32,858)
Legal and accounting	149,070	193,268	(44,198)
Arbitration and Settlement	182,260	1,344,835	(1,162,575)
Equipment holding costs	155,026	209,467	(54,441)
Interest expense	2,648,793	2,410,384	238,409
Total expenses	\$ 8,761,375	\$ 4,967,215	\$ 3,794,160

SUMMARY OF QUARTERLY RESULTS

Quarter ended	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15	6/30/15
Other Income (loss)	\$6,688	\$(554,106)	\$6,798	\$9,032	\$44,921	\$(541,993)	\$(1,662)	\$(10,748)
Net loss								
before tax (1)	(8,754,687)	(6,400,329)	(5,585,556)	(4,637,513)	(4,922,294)	(6,389,066)	(3,581,046)	(4,453,454)
Per share	(0.10)	(0.08)	(0.06)	(0.06)	(0.06)	(0.08)	(0.05)	(0.06)
Fully diluted	(0.10)	(0.08)	(0.06)	(0.06)	(0.06)	(0.08)	(0.05)	(0.06)
Net loss (1)	(8,754,687)	(6,400,329)	(5,585,556)	(4,637,513)	(4,922,294)	(6,389,066)	(3,581,046)	(4,453,454)
Per share	(0.10)	(0.08)	(0.06)	(0.06)	(0.06)	(0.08)	(0.05)	(0.06)
Fully diluted	(0.10)	(0.08)	(0.06)	(0.06)	(0.06)	(0.08)	(0.05)	(0.06)

(1) Net loss from continuing and total operations attributable to owners of the parent.

In the first quarter of 2017, other income (loss) consisted of interest income and foreign currency loss. In the fourth quarter of 2016, other income (loss) primarily consisted of a loss on write-down of property, plant and equipment partially offset by foreign currency gain. In the second and third quarters of 2016, other income (loss) consisted of interest income, gain (loss) on settlement of debt and foreign currency loss. Other income (loss) in the first quarter of 2016 was primarily related to gain on disposition of marketable securities. Other income (loss) in the fourth quarter of 2015 was primarily due to the restructuring of the 2018 Notes and the impairment of marketable securities. Other income (loss) in the quarter of 2015 was a result of foreign exchange gain (loss). Other income (loss) in the second quarter of 2015 primarily related to the sale of equipment.

In the first quarter of 2017, net loss increased primarily as a result of non-cash stock option compensation expense of \$4.4 million partially offset by a \$1.2 million decrease in arbitration and settlement costs. In the fourth quarter of 2016, net loss increased as a result of a loss on write-down of property, plant and equipment as well as an increase in costs associated with employee compensation and director fees. In the third quarter of 2016, net loss increased mainly as a result of increased expenses related to increased efforts to settle the Award and the incurrence of costs associated with the formation of the Mixed Company. Net loss in the second quarter of 2016 decreased as a result of a decrease in arbitration enforcement and collection and legal and accounting expense. In the first quarter of 2016, net loss decreased after the loss had increased in the fourth quarter of 2015 due to the restructuring of the 2018 Notes. This 2016 decrease was partially offset by an increase in costs associated with efforts to settle the Award. The decrease in net loss during the third quarter of 2015 was primarily due to a decrease in arbitration enforcement and collection costs. The increase in net loss during the second quarter of 2015 was primarily due to increases in arbitration enforcement and collection costs and accretion of Convertible Notes.

Off-Balance Sheet Arrangements

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

Exhibit 99.3 Chief Executive Officer's Certification of Interim Filings

Form 52-109F2

Certification of interim filings – full certificate

I, Rockne J. Timm, Chief Executive Officer of Gold Reserve Inc., certify the following:

1. I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Gold Reserve Inc. (the “issuer”) for the interim period ended March 31, 2017.
2. Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it 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 the issuer's GAAP.
- 5.1 The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework.
- 5.2 N/A
- 5.3 N/A
6. The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2017 and ended on March 31, 2017 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 19, 2017

/s/Rockne J. Timm

Rockne J. Timm

Chief Executive Officer

Exhibit 99.4 Chief Financial Officer's Certification of Interim Filings

Form 52-109F2 Certification of interim filings – full certificate

I, Robert A. McGuinness, Chief Financial Officer of Gold Reserve Inc., certify the following:

1. I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Gold Reserve Inc. (the “issuer”) for the interim period ended March 31, 2017.
2. Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
5. Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (iii) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (iv) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (c) designed ICFR, or caused it 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 the issuer's GAAP.
- 5.1 The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework.
- 5.2 N/A
- 5.3 N/A
6. The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2017 and ended on March 31, 2017 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 19, 2017

/s/Robert A. McGuinness
Robert A. McGuinness
Chief Financial Officer