

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  <u>Gold Reserve Inc.</u>		<b>2</b> Issuer's employer identification number (EIN)  <u>NA</u>	
<b>3</b> Name of contact for additional information  <u>Robert A. McGuinness</u>	<b>4</b> Telephone No. of contact  <u>(509) 623-1500</u>	<b>5</b> Email address of contact  <u>rmcguinness@goldreserveinc.com</u>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  <u>999 W. Riverside Avenue, Suite 401</u>		<b>7</b> City, town, or post office, state, and ZIP code of contact  <u>Spokane, WA 99201</u>	
<b>8</b> Date of action  <u>June 14, 2019</u>		<b>9</b> Classification and description  <u>Class A Common Shares</u>	
<b>10</b> CUSIP number  <u>38068N306</u>	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  <u>OTCQX: GDRZF</u>	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On June 14, 2019 Gold Reserve Inc. completed a distribution of \$0.76 per share to holders of its Class A Shares as a return of capital. The return of capital was completed pursuant to a court-approved plan of arrangement transaction under the Business Corporations Act (Alberta) and required approval by the Court and at least two-thirds of the votes cast by Shareholders in respect of a special resolution.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The return of capital decreased the basis of the the Company's Class A Shares by \$0.76 per share. Gold Reserve Inc. did not have any earnings and profits (calculated in accordance with IRC Section 312) for the 2019 taxable year. See Line 19 below.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The Company distributed approximately \$75,540,236 to shareholders on its 99,395,048 issued and outstanding Class A Shares or 0.76 per share.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Section 302(c)(2)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18 Can any resulting loss be recognized? ▶ No.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ In some previous years, Gold Reserve Inc. was a Passive Foreign Investment Company ("PFIC") within the meaning of IRC Section 1297 and it may be a PFIC in 2019. U.S. shareholders should consult their tax advisors for advice concerning the application of the U.S. federal income tax rules governing PFICs.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ Robert A McGuinness Date ▶ 01/09/2020  
Print your name ▶ Robert A. McGuinness Title ▶ VP Finance and CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.