2024

ANNUAL REPORT TO SHAREHOLDERS

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

The following Management's Discussion and Analysis ("MD&A") of Gold Reserve Ltd. and its subsidiaries (collectively "Gold Reserve", the "Company", "we", "us", or "our") dated April 29, 2025 is intended to assist in understanding and assessing our results of operations and financial condition and should be read in conjunction with the audited consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America as at and for the years ended December 31, 2024 and 2023, and the related notes contained therein. Additional information relating to Gold Reserve is available under the Company's profile on SEDAR+ at www.sedarplus.com.

CURRENCY

Unless otherwise indicated, all references to "$", "U.S. $" or "U.S. dollars" in this MD&A refer to U.S. dollars and references to "Cdn $" or "Canadian dollars" refer to Canadian dollars. The 12-month average rate of exchange for one Canadian dollar, expressed in U.S. dollars, for each of the years ended December 31, 2024 and 2023 equaled 0.7299 and 0.7412 respectively, and the exchange rate at the end of each such period equaled 0.6944 and 0.7575, respectively.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

The information presented or incorporated by reference in this Management's Discussion and Analysis, other than statements of historical fact, are, or could be, "forward-looking statements" (within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) or "forward-looking information" (within the meaning of applicable Canadian provincial and territorial securities laws) (collectively referred to herein as "forward-looking statements") that may state the Company's and its management's intentions, hopes, beliefs, expectations or predictions for the future.

Forward-looking statements are necessarily based upon a number of estimates, expectations, and assumptions that, while considered reasonable by the Company and its management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause the actual outcomes, financial results, performance or achievements to be materially different from those expressed or implied therein, many of which are outside its control. Forward-looking statements speak only as of the date made, and any such forward-looking statements are not intended to provide any assurances as to future results. The Company believes its estimates, expectations and assumptions are reasonable, but there can be no assurance those reflected herein will be achieved. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements involve risks and uncertainties, as well as assumptions, including those set out herein, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause our results to differ materially from those expressed or implied by such forward-looking statements. The words "believe," "anticipate," "expect," "intend," "estimate," "plan," "may," "could" and other similar expressions that are predictions of or indicate future events and future trends, which do not relate to historical matters, identify forward-looking statements, although not all forward-looking statements contain these words. Any such forward-looking statements are not intended to provide any assurances as to future results.

Numerous factors could cause actual results to differ materially from those described in the forward-looking statements, any of which could adversely affect the Company, including, without limitation:

- Risks in relation to the process for the sale (the "Sale Process") of the common shares of PDV Holdings, Inc. ("PDVH"), the indirect parent company of CITGO Petroleum Corp, pursuant to the sales and bidding procedures (the "Bidding Procedures") managed by the Special Master (the "Special Master") appointed by the U.S. District Court for the District of Delaware (the "Court"), including that the Sale Process may not result in a sale of the PDVH shares to any person, including the buyer recommended by the Special Master (the "Buyer") or approved by the Court; the Company may not receive any monies under the Sale Process, including under any transaction proposed or approved to sell the PDVH shares to the Buyer (the "Proposed Sale Transaction"); any potential transaction of the Company solely or with one or more other parties ("Potential Transaction") in relation to the sale of PDVH shares pursuant to the Sales Process, including, but not limited to: complying with the topping bid terms under a proposed executed stock purchase agreement (the "Proposed Purchase Agreement"), the discretion of the Special Master and the Court to otherwise

consider any Potential Transaction, entering into any discussions or negotiation with respect thereto and that the Special Master or Court may not approve any Potential Transaction, including without limitation, because the Special Master's or the Court's view is that the Potential Transaction is not of sufficient value, does not sufficiently take account of the PDVSA 2020 Notes, does not have sufficient certainty of closing and/or for any other reason; the form of consideration and/or proceeds that may be received by the Company in any Potential Transaction; that any Potential Transaction, and/or the form of proceeds received by the Company in any Potential Transaction, may be substantially less than the amounts outstanding under the Company's September 2014 arbitral award (the "Award") and/or corresponding November 20, 2015 U.S. judgement; the failure of the Company to put forth or negotiate any Potential Transaction, including as a result of failing to obtain sufficient equity and/or debt financing; that any Potential Transaction of the Company will not be selected as a "Successful Bid" under the Bidding Procedures including complying with any topping bid procedures, and if selected may not be approved by the Court and may not close, including as a result of U.S. Department of Treasury Office of Foreign Assets Control ("OFAC "), or any other applicable regulatory body, not granting an authorization in connection with any potential sale of PDVH shares and/or whether OFAC changes its decision or guidance regarding the Sale Process; failure of the Company or any other party to obtain any required approvals for, or satisfy other conditions to effect, any transaction resulting from any Potential Transaction; that the Company may forfeit any cash amount deposit made due to failing to complete any Potential Transaction or otherwise; that the making of any Potential Transaction or any transaction resulting therefrom may involve unexpected costs, liabilities or delays; that, prior to or as a result of the completion of any transaction contemplated by any Potential Transaction, the business of the Company may experience significant disruptions due to transaction related uncertainty, industry conditions or other factors; the ability to enforce the writ of attachment granted to the Company; the timing set for various reports and/or other matters with respect to the Sale Process (including any sales motion or hearing in connection thereto) may not be met; the ability of the Company to otherwise participate in the Sale Process (and related costs associated therewith); the amount, if any, of proceeds associated with the Sale Process the Company may receive; the competing claims of certain creditors, the "Other Creditors" (as detailed in the applicable court documents filed with the Court) of the Bolivarian Republic of Venezuela ("Venezuela") and/or any of its agencies or instrumentalities and the Company, including any interest on such creditors' judgements and any priority afforded thereto; uncertainties with respect to possible settlements between Venezuela, PDVSA, and/or any of their agencies or instrumentalities, and other creditors and the impact of any such settlements on the amount of funds that may be available under the Sale Process; the ramifications of bankruptcy with respect to the Sale Process and/or the Company's claims, including as a result of the priority of other claims; and whether Venezuela or PDVH's parent company, Petroleos de Venezuela, S.A., or any other party files further appeals or challenges with respect to any judgment of the U.S. Court of Appeals for the Third Circuit, any judgment of the Court, or any judgment of any other court in relation to the Company's right to participate in any distribution of proceeds from the Sales Process, including any Potential Transaction or the Proposed Sale Transaction;

- risks associated with otherwise recovering funds (including related costs associated therewith) under the Company's settlement agreement (the "Settlement Agreement") with Venezuela or its various proceedings against Venezuela and its agencies and instrumentalities, including (a) the potential ability of the Company to obtain the funds that the Lisbon District Court attached in Portugal on the Company's requests, and (b) the Company's ability to repatriate any funds obtained in the Lisbon proceedings, or any funds owed to the Company under the settlement arrangements that may become available;

- risks associated with the continued failure by Venezuela to honor its commitments under the Settlement Agreement with the Company. As of the date of this report, Venezuela still owes the Company an estimated $1.16 billion (including interest) under the Settlement Agreement (and Award and corresponding court judgments);

- risks associated with potential tax, accounting or financial impacts, including any potential income tax liabilities in addition to those currently recorded, that may result from the current (or any future) audits or reassessments of our tax filings by U.S. and Canadian tax authorities, including with respect to the Canada Revenue Agency's (the "CRA's") proposal letter received by the Company in November 2024 (the "Proposal Letter"), advising that, subject to submissions by the Company, the CRA is proposing to reassess the Company to include in its income certain amounts, including amounts in respect of the Award and/or the Settlement Agreement, which would have a material adverse impact on the financial position of the Company

and may lead to substantial doubt about the Company's ability to continue as a going concern if the Company is liable under the assessments either as proposed or pursuant to a different basis of assessment, the Company's response to the Proposal Letter (including its view of its tax filing positions), the Company's intention to defend potential reassessments if issued by CRA, any adjustments or deductions that may be available to the Company to reduce amounts payable and the length of time it may take to resolve the proposal or any objection to any reassessment;

- Risks related to the request for arbitration against Venezuela for the revocation of rights with respect to the Siembra Minera Project, including that the costs of prosecuting such arbitration could be substantial and there is no assurance that the Company will be successful in establishing jurisdiction, liability or damages in our claims against the Venezuelan government;
- risks associated with sanctions imposed by the U.S. and Canadian governments targeting Venezuela, its agencies and instrumentalities, and its related persons (the "Sanctions") and/or whether we are able to obtain (or get results from) relief from such sanctions, if any, obtained from OFAC or other similar regulatory bodies in Canada or elsewhere:
  - Sanctions imposed by the U.S. government generally block all property of the government of Venezuela and prohibit directors, management and employees of the Company who are U.S. Persons (as defined by U.S. Sanction statutes) from certain dealings with the Venezuelan government and/or state-owned/controlled entities, entering into certain transactions or dealing with Specially Designated Nationals ("SDNs") and target corruption in, among other identified sectors, the gold sector of the Venezuelan economy;
  - Sanctions imposed by the Canadian government include asset freezes and prohibitions on dealings with certain named Venezuelan officials under the Special Economic Measures (Venezuela) Regulations of the *Special Economic Measures Act* and the *Justice for Victims of Corrupt Foreign Officials Regulations* of the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*;
  - The Sanctions have adversely impacted our ability to collect the remaining funds owed by Venezuela and interact with Venezuela and this is expected to continue for an indeterminate period of time;
- risks associated with whether the U.S. and Canadian government agencies that enforce the Sanctions may not issue licenses that the Company has requested, or may request in the future, to engage in certain Venezuela-related transactions including timing and terms of such licenses;
- risks associated with changes in law in Venezuela, including the recent enactment of the *Law for Protection of the Assets, Rights, and Interests of the Bolivarian Republic of Venezuela and its Entities Abroad*, which negatively impacts the ability of the Company and its personnel to carry on activities in Venezuela, including safety and security of personnel, repatriation of funds and the other factors identified herein;
- risks associated with the fact that the Company has no revenue producing operations at this time and its future working capital position is dependent upon the collection of amounts due pursuant to the Settlement Agreement and/or Award and corresponding judgments (including under the Sale Process) or the Company's ability to raise additional funds from the capital markets or other external sources;
- risks associated with activist campaigns, including potential costs and distraction of management and the directors' time and attention related thereto that would otherwise be spent on other matters;
- risks associated with cybersecurity and other information security breaches, including the risk that unauthorized access to the Company's network or those of other third party providers could result in operational disruption, data breach and significant remediation costs;
- risks associated with bonus plan participants claiming Siembra Minera is "proceeds" for purposes of such bonus plan, including costs associated therewith and amounts paid in settlement, if any;
- risks associated with our ability to service outstanding obligations as they come due and access future additional funding, when required, for ongoing liquidity and capital resources, pending the receipt of payments under the Settlement Agreement or collection of the Award in the courts;

- risks associated with our prospects in general for the identification, exploration and development of mining projects and other risks normally incident to the exploration, development and operation of mining properties, including our ability to achieve revenue producing operations in the future;
- risks that estimates and/or assumptions required to be made by management in the course of preparing our financial statements are determined to be inaccurate, resulting in a negative impact on 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;
- risks associated with the ability of the Company to maintain an effective system of internal control over financial reporting and disclosure controls and procedures, which may result in the Company not being able to produce accurate and timely financial statements and other public filings;
- risks associated with shareholder dilution resulting from the future sale of additional equity, if required;
- risks that changes in the composition of the Board of Directors or other developments may result in a change of control and potentially require change of control payments, estimated at $1.7 million as of December 31, 2024, to be made to participants under the change of control agreements;
- risks associated with the abilities of and continued participation by certain executive officers and employees; and
- risks associated with the impact of current or future U.S., Canadian and/or other jurisdiction's tax laws to which we are or may be subject, including with respect to the continuance of the Company from the Province of Alberta to Bermuda.

Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in our affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with the Ontario Securities Commission or other securities regulators or presented on the Company's website. Forward-looking statements speak only as of the date made. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online at www.sedarplus.com, respectively.

These risks and uncertainties, and additional risk factors that could cause results to differ materially from forward-looking statements, are more fully described in this Management's Discussion and Analysis, including, but limited to, the section entitled "Risk Factors" and in the Company's other filings with Canadian securities regulatory agencies, which can be viewed online at www.sedarplus.com. Consider these factors carefully in evaluating the forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company, the Company's management, or other persons acting on the Company's behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether, as a result of new information, future events or otherwise, subject to its disclosure obligations under applicable rules and regulations promulgated by applicable Canadian provincial and territorial securities laws. Any forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

THE COMPANY

Gold Reserve was incorporated to engage in the business of acquiring, exploring and developing mining projects. Given the numerous developments in Venezuela over the years, both as it relates to our historical mining interests and related legal proceedings resulting therefrom, management has recently focused its efforts on pursuing legal claims against Venezuela as described in more detail below.

We were incorporated in 1998 under the laws of the Yukon Territory, Canada and continued under the *Business Corporations Act* (Alberta) (the "ABCA") in September 2014. On September 30, 2024, we continued from the Province of Alberta to Bermuda. In connection with the continuance, the Company's name was changed from "Gold Reserve Inc." to "Gold Reserve Ltd.". We are the successor issuer to Gold Reserve Corporation, which was incorporated in the United States in 1956. We employed three individuals as of December 31, 2024. Our Class A common shares (the "Class A Shares") are listed for trading on the TSX Venture Exchange (the "TSXV") and quoted on the OTCQX under the symbol GRZ and GDRZF, respectively.

Our registered office is located at the office of Carey Olsen Services Bermuda Limited, Rosebank Centre, 5th Floor, 11 Bermudiana Road, Pembroke HM 08, Bermuda and our telephone and fax numbers are 509.623.1500 and 509.623.1634, respectively. The Company files reports and other information with Canadian securities authorities which can be obtained at www.sedarplus.com. Similar information can also be found on our website at www.goldreserve.bm. The information found on, or accessible through, our website does not form part of this MD&A. Previously, the company also filed reports, proxy and information statements, and other information relating to the Company with the SEC. On January 30, 2025 the company deregistered its shares with the SEC and no longer files such reports and other information.

We have no commercial operations or production at this time. Historically we have financed our operations through the issuance of common shares, other equity securities and debt and from payments made by Venezuela pursuant to the Settlement Agreement. Funds necessary for ongoing corporate activities, or other future investments and/or transactions if any, cannot be determined at this time and are subject to available cash, any future payments under the Settlement Agreement and/or collection of the unpaid Award in the courts or future financings.

BUSINESS OVERVIEW

Background

Prior to 2008, the Company's principal business was the exploration and development of a mining project in Venezuela known as the "Brisas Project." In 2008, the Venezuelan government terminated the Brisas Project without compensation to the Company. In October 2009, the Company initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes ("ICSID") to obtain compensation for the losses caused by the actions of Venezuela that terminated the Brisas Project. On September 22, 2014, we were granted the Award totaling $740.3 million plus post-Award interest.

In July 2016, we signed the Settlement Agreement whereby Venezuela agreed among other things to pay the Company a total of approximately $1.032 billion, which is comprised of $792 million to satisfy the Award (including interest) and $240 million for the purchase of our mining data related to the Brisas Project (the "Mining Data") in a series of payments that were supposed to end on or before June 15, 2019. As agreed, the first $240 million received by Gold Reserve from Venezuela has been recognized as proceeds from the sale of the Mining Data.

As of the date of this MD&A, the Company had received payments of approximately $254 million pursuant to the Settlement Agreement: $240 million for the sale of the Mining Data and $14 million related to the Award. The remaining unpaid amount due from Venezuela pursuant to the Award (now subject to the Delaware Proceedings explained further below) totals an estimated $1.16 billion (including interest) as of the date of this report. In relation to the unpaid amount due from Venezuela, the Company has not recognized an Award receivable or associated liabilities on its financial statements which would include taxes, bonus plan and contingent value right payments, as management has not yet determined that payment from Venezuela is probable.

The interest rate provided for on any unpaid amounts pursuant to the Award (less legal costs and expenses) is specified as LIBOR plus 2%, compounded annually. With the phase out of LIBOR, the U.S. Congress enacted the Adjustable Interest Rate (LIBOR) Act to establish a process for replacing LIBOR in existing contracts. The U.S. Federal Reserve Board adopted a final rule that implements the Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on the Secured Overnight Financing Rate (SOFR) that replaced LIBOR in certain financial contracts after June 30, 2023. Accordingly, effective July 1, 2023, the Company began calculating the interest due on the unpaid amount of the Award using a benchmark replacement rate based on SOFR plus two percent.

Concurrent with the Settlement Agreement, the Company and Venezuela also agreed to pursue the joint development of a project designated as the "Siembra Minera Project" that primarily comprised the former Brisas Project and the adjacent Cristinas project. In August 2016, we executed the Contract for the Incorporation and Administration of the Mixed Company with the government of Venezuela and in October 2016, together with an affiliate of the government

of Venezuela, we incorporated the joint venture entity Siembra Minera by subscribing for shares in Siembra Minera for a nominal amount. The stated primary purpose of this entity is to develop the Siembra Minera Project. Siembra Minera is beneficially owned 55% by Corporacion Venezolana de Mineria, S.A., a Venezuelan government corporation, and 45% by Gold Reserve. Siembra Minera was granted by the government of Venezuela certain gold, copper, silver and other strategic mineral rights contained within Bolivar State comprising the Siembra Minera Project.

The terms of the Settlement Agreement also included Venezuela's obligation to make available to an escrow agent, negotiable financial instruments, with a face value of at least $350 million, partially guaranteeing the payment obligations to the Company as well as the obligation to advance approximately $110 million to Siembra Minera to facilitate the early startup of the pre-operation and construction activities. As of the date of this MD&A, Venezuela has not yet taken steps to provide such collateral or the early funding and it is unclear if and when Venezuela will comply with these particular obligations contained in the Settlement Agreement.

In March 2022, the Venezuelan Ministry of Mines (the "Ministry") issued a resolution to revoke the mining rights of Siembra Minera. Siembra Minera filed a reconsideration request in May 2022 which was denied by the Ministry (see "Legal Matters"). The Company appealed the resolution with the Venezuelan Supreme Court of Justice. The appeal was ultimately withdrawn and was terminated in October 2023.

As a result of the unlawful revocation by Venezuela of the mining rights assigned to Siembra Minera, in December 2023, the Company issued notice to Venezuela of the existence of a dispute under the "Agreement Between the Government of Canada and the Government of the Republic of Venezuela for the Promotion and Protection of Investments" and under the "Agreement between the Government of Barbados and the Government of the Republic of Venezuela for the Promotion and Protection of Investments. The notice advised Venezuela inter alia that: (i) in the event the Company commences an international arbitration, it would claim for all remedies available under applicable law; and (ii) Venezuela's unlawful actions and omissions have substantially damaged the value of the Company's investments and could result in claims being brought against Venezuela for an amount in excess of US $7 billion. In March 2025, the Company filed a request for arbitration against Venezuela under the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes of the World Bank in Washington, D.C.

Further details regarding the Siembra Minera Project can be found in our Annual Information Form dated April 29, 2022 and our Management's Discussion and Analysis dated April 29, 2022, each filed as exhibits to our Annual Report on Form 40-F for the fiscal year ended December 31, 2021 with the SEC on April 29, 2022 and on www.sedarplus.com.

Legal Matters

Recognition and Enforcement of Arbitral Award in the United States (Delaware Proceedings)

Following the ICSID legal proceedings, the Company obtained an order dated November 20, 2015, confirming and entering judgment on the Award in the U.S. District Court for the District of Columbia (the "DDC"). Venezuela's appeal of this order was dismissed pursuant to the terms of the Settlement Agreement. The Company registered its DDC judgment in the Delaware Court and, by order dated March 31, 2023, the Company obtained a conditional writ of attachment fieri facias against the shares of PDV Holding, Inc. ("PDVH"), the indirect parent company of CITGO Petroleum Corp., one of the largest oil refiners in the United States. Petroleos de Venezuela, S.A. ("PDVSA"), the parent company of PDVH, appealed this order on April 10, 2023. On May 1, 2023, OFAC published guidance stating that it will not take enforcement actions against individuals or entities participating in the previously announced sales process for the shares of PDVH (the "Sale Process") and issued a license to the Clerk of the Court for the Delaware Court authorizing the issuance and service of writs of attachment granted by the court to approved judgment creditors against the shares of PDVH. Pursuant to the guidance published by OFAC, a specific license from OFAC will be required before any sale of PDVH shares can be executed.

On July 7, 2023, the U.S. Court of Appeals for the Third Circuit (the "Third Circuit") issued a judgment affirming the March 31 order of the Delaware Court. Venezuela's petition to review this decision was subsequently denied by the U.S. Supreme Court (by order dated January 8, 2024).

On July 27, 2023 the Delaware Court issued a decision on certain issues concerning the Sale Process, including determining the process by which creditors of Venezuela and PDVSA (collectively, the "Creditors") can be named "Additional Judgment Creditors" and thereby participate in the Sale Process. The Delaware Court held that for a Creditor to be an Additional Judgment Creditor, it must inter alia obtain a conditional or unconditional writ of attachment from the Delaware Court. As indicated above, the Company obtained a conditional writ of attachment from the Delaware Court by the order dated March 31, 2023. The Delaware Court further held that the priority of judgments of Additional Judgment Creditors will be based on the date a Creditor filed a motion for a writ of attachment that was subsequently granted. The Company filed its motion on October 20, 2022.

On August 14, 2023, the Company filed an Attached Judgment Statement with the Delaware Court, per the request of the Special Master appointed by the Delaware Court to oversee the Sale Process. The Company's statement identified, inter alia, the initial amount of the Company's DDC judgment, the amount by which the judgment has been reduced as a result of the collection efforts by the Company, and the rate at which the Company is accruing post-judgment interest on the DDC judgment. Other creditors seeking to participate in the Sale Process also filed Attachment Judgment Statements containing similar information.

By order dated January 8, 2024, the Delaware Court granted the request made by the Company (and other creditors) to be designated as an Additional Judgment Creditor under the Sales Process Order governing the terms of the potential sale of the PDVH shares. On January 22, 2024, prospective purchasers for the PDVH shares submitted initial, non-binding bids. On March 27, 2024, the Company served its writ of attachment on the U.S. Marshal, who then served the writ of attachment on PDVH and the Special Master on April 5, 2024. The Company has now taken all necessary steps to perfect its security interest in the PDVH shares.

On April 3, 2024, the Delaware Court issued its Final Priority Order, which identifies 12 judgments that are senior in priority to the Company's judgment. According to the information in the above-referenced Attachment Judgment Statements, the total amount of these 12 judgments as at August 14, 2023, inclusive of interest, was quantified by the holders of these judgments as approximately $5.564 billion.

On April 26, 2024, the Venezuela parties filed a renewed motion to disqualify the Special Master. This motion was opposed by the Special Master and certain of the Creditors, and was denied by the Court. Other parties may file other motions that also attempt to delay or otherwise impede the sales process.

On May 1, 2024, the Special Master filed an unredacted copy of a motion requesting that the Delaware Court enter an order setting the final determination of the amount of all Attached Judgments, including the Company's judgment. Therein, the Special Master calculated the amount of the Company's judgment, inclusive of post-judgment interest, and for illustrative purposes, as $1,068,262,433.37 as at February 20, 2024, and $1,138,508,078.61 as at December 31, 2024. This motion was granted by the Delaware Court.

On May 8, 2024, Venezuela filed an objection to the Special Master's proposal to modify the Bidding Procedures with respect to how the "PDVSA 2020 Notes" should be treated. The PDVSA 2020 Notes are obligations which certain creditors allegedly have against PDVSA which have given rise to an alleged pledge of the majority of shares of Citgo Holding in favor of such creditors. Citgo Holding is a subsidiary of PDVH and the parent company of Citgo Petroleum. PDVSA defaulted on the PDVSA 2020 Notes in or about October 2019, and since then OFAC has put in place a moratorium that prevents the PDVSA 2020 Noteholder from exercising default remedies, including in respect of the Citgo Holding pledge. This moratorium has been extended by OFAC on regular intervals and is next set to expire on July 3, 2025. The present amount allegedly due under the PDVSA Notes is not known but is estimated to be in excess of $2 billion. The validity of the PDVSA 2020 Notes is the subject of litigation in New York federal court. On May 17, 2024, the Delaware Court denied Venezuela's objection to the Special Master's proposal to modify the Bidding Procedures, and in so doing held that bidders should take account of the PDVSA 2020 Notes in their bids and that bidders and the Special Master had flexibility in determining the best method for so doing.

On June 11, 2024, the Company submitted a credit bid for the common shares of PDVH pursuant to the Bidding Procedures. In accordance with the Bidding Procedures, the terms of the Bid are confidential.

By order dated July 3, 2024, the Delaware Court rescheduled to September 19, 2024 the Sale Hearing that had tentatively been scheduled for July 15, 2024, and put in place a series of interim filing dates leading up to the rescheduled hearing date. By order dated August 27, 2024, the court again rescheduled the Sale Hearing – to November 19, 2024 – and made corresponding changes to the interim filing dates.

On September 27, 2024, the Special Master filed a status report with the Delaware Court in which he reported on his discussions with certain holders of the PDVSA 2020 Notes and stated that, as of that date, those discussions have not resulted in an agreement and the discussions are no longer active.

Also on September 27, 2024, the Special Master filed a "Notice of Special Master's Recommendation" with the Delaware Court, stating *inter alia* that the Special Master had selected Amber Energy Inc., an affiliate of Elliott Investment Management L.P. (collectively, "Elliott"), as the initial "Successful Bidder" for the PDVH shares, but that the Special Master did not believe a final recommendation of a proposed sale transaction with Elliott was appropriate at that time.

On October 1, 2024, the Delaware Court held a hearing at which *inter alia* multiple creditors expressed objections to the Elliot bid, and the court adjourned the November 19, 2024 Sale Hearing. On October 18, 2024, the Special Master and the parties made written submissions to the Delaware Court on multiple issues concerning the Elliott bid and how the sale process should proceed. Thereafter, further written submissions by multiple parties, including the Company, have been to the Delaware Court on multiple issues regarding the Elliot bid and the sale process.

On December 13, 2024, the Delaware Court held a status conference to hear argument on the disputes concerning the Elliott bid and how the sale process should proceed. During the course of this conference, the Elliot bid was acknowledged as no longer being viable.

On December 31, 2024, the Delaware Court issued an order setting the procedures for the Sale Process going forward. Therein, the Court ordered inter alia: (a) that an additional marketing of the sale shall take place and be completed by January 17, 2025; (b) that the virtual data room should be reopened and remain open until further order of the Court; (c) the Special Master, in consultation with the parties, shall develop proposed bidder protections for any Stalking Horse bid approved by the court and a list of material terms and conditions for a revised Stock Purchase Agreement for the purchase of the PDVH shares; (d) Stalking Horse Bids shall be due by March 7, 2025; (e) the Special Master shall select a recommended Stalking Horse (or Base) Bid by March 14, 2025; (f) objections to this recommendation are due thereafter on an abbreviated briefing schedule; (g) a Topping Period of 30 days shall commence after the Court rules on any objections to the Special Master's recommendation; (h) the Special Master shall submit his Final Recommendation no later than May 16, 2026; (i) briefing on any objections to this recommendation shall be completed by June 20, 2025; and (j) a Sale Hearing will take place on some or all of July 22, 23 and 24, 2025.

On January 27, 2025, the Delaware Court issued an order resolving certain additional issues concerning the Sale Process.

On February 10, 2025, the Special Master filed with the court a draft long-form Stock Purchase Agreement for the purchase of the PDVH shares.

On February 24, 2025, the Delaware Court issued an order resolving certain objections to the draft long-form Stock Purchase Agreement.

On March 4, 2025, the Delaware Court issued an order resolving certain objections arising from its February 24, 2025 Order.

On March 7, 2025, the Company submitted a credit bid for the common shares of PDVH. The Company's bid was made by its Delaware subsidiary, Dalinar Energy Corporation ("Dalinar Energy"), and it was supported by a consortium that includes judgment creditors senior to Gold Reserve in the Court's priority waterfall, including Koch Minerals Sarl and Koch Nitrogen International Sarl ("Koch") and Rusoro Mining Ltd. ("Rusoro"). The bid relied on a combination of equity and debt financing and had a purchase price of $7.081 billion. The bid also includes a mechanism whereby creditors junior to Gold Reserve would have the option to participate, by receiving warrants in Gold Reserve in exchange for contributing a portion of their attached judgments to the bid.

On March 21, 2025, pursuant to a revised schedule proposed by the Special Master and approved by the Delaware Court, the Special Master filed his recommendation of a Stalking Horse bidder. The Special Master recommended a $3.699 billion bid from Red Tree Investments, a subsidiary of Contrarian Capital Management. The Special Master also disclosed that two other bidders, in addition to the Company, had submitted bids.

On March 26, 2025, the Delaware Court issued an order granting in part and denying in part an emergency request made by the Company for the disclosure of certain documents associated with the Red Tree bid.

On March 31, 2025, the Company and other parties submitted objections to the Red Tree bid. These objections were the subject of further briefing from multiple parties that took place during the period from March 31, 2025 to April 4, 2025, on which date the Delaware Court issued an order setting a hearing on the objections on April 17, 2025, and requesting further briefing on certain related questions.

On April 17, 2025, the Court held the scheduled hearing and, on April 21, 2025 issued an Order adopting the recommendation of the Red Tree Bid as the Stalking Horse Bid and overruling objections to the same. Therein, the Court stated, among other things, that the Red Tree bid is where the bidding should begin but not end, and the Court expects the Final Bid will have "a price at or exceeding" the $7.081 billion price associated with the bid submitted by the Company and its consortium partners, and a greater likelihood of closing. The Court also directed the Special Master to submit by April 24, 2025 a proposed order (a) to set the beginning and end dates of the Topping Period, (b) to establish deadlines for discovery and deadlines and page limits for objections to the Final Recommendation (such briefing to be concluded no later than July 3, 2025); and (c) to file a joint status report on July 10, 2025 with further particulars for the July 22-24, 2025 Sale Hearing.

On April 24, 2025, the Special Master submitted a proposed order which included a Topping Period from April 28, 2025 through May 28, 2025 and a deadline of June 11, 2025 for the Special Master to submit his final recommendation. The proposed order also included deadlines related to any objections to the Special Master's final recommendations, a July 10, 2025 deadline for the Special Master to submit a joint status report, conclusion of the discovery period on July 17, 2025 and commencement of the Sale Hearing on July 22, 2025. On April 25, 2025, the Court issued an Order accepting the Special Master's proposed order.

The foregoing description of the Delaware Court proceedings is only of certain events in the proceedings and it is qualified in its entirety by reference to such documentation which is publicly available on the Public Access to Court Electronic Records ("PACER") system in the Delaware Court proceedings, including in Crystallex International Corporation v. Bolivarian Republic of Venezuela, 1:17-mc-00151-LPS (D. Del.) and related proceedings.

Portugal Attachment Proceedings

By order dated January 13, 2023, the Lisbon District Court granted the motion filed by the Company to issue an order attaching and seizing funds deposited at a Portugal state owned bank up to the amount of approximately EUR 21,368,805. The order is in relation to funds held in a trust account for the benefit of the Company at Bandes Bank, a Venezuelan state-owned development bank. The Company has been unable to access these funds and recorded an impairment charge in 2018 for the approximately U.S. $21.5 million balance in the account. On February 20, 2023, the Lisbon District Court's attachment order was effective. The Lisbon District Court is in the process of serving this attachment order, after which Bandes Bank will have the opportunity to appear and challenge the order. On December 13, 2023, the Company instituted the "main action" required to obtain the judgment necessary to execute against the attached funds, by commencing an international arbitration before the ICC International Court of Arbitration. A hearing in this arbitration is scheduled for May 28, 2025.

By orders dated November 11, 2023 and March 6, 2024, the Lisbon District Court granted motions filed by the Company to issue orders attaching and seizing other funds of Venezuela held in other accounts in Lisbon. According to information provided to the Company via the Lisbon District Court proceedings, the total amount of funds attached as a result of these two orders is equivalent to approximately €1.4 billion. The Company is in the process of verifying the amounts attached and whether and to what extent other creditors hold encumbrances on some or all of the attached funds. At present, the Company cannot confirm whether and to what extent it has a first-priority attachment in respect of any funds that have been attached. The Lisbon District Court is in the process of serving these attachment orders, after which Venezuela and/or its agencies and instrumentalities will have the opportunity to appear and challenge the orders.

On February 20, 2025, the Lisbon Court of Appeal issued an Order granting the Company's application to confirm the 2014 Arbitration Award in Portugal and entered judgment for the Company against Venezuela in the amount of the Award.

Effective April 2, 2025, the Company filed two new legal actions in the Lisbon District Court to obtain the judgments that are necessary to execute against the multiple bank accounts in Lisbon over which the Company has previously obtained attachment orders. The new legal actions seek to obtain judgments determining that the amounts in the attached accounts can be properly executed against in satisfaction of the amounts owed by Venezuela to the Company. The priority afforded judgments at the time of any such execution may differ from the priority afforded to an attachment order. At present, the Company cannot estimate a likelihood of success as to any such execution efforts, and whether it is probable the Company will be able to obtain any of the attached funds.

Venezuela Supreme Court of Justice

On November 24, 2022, the Company filed a nullity appeal and requested a precautionary measure of suspension of effects before the Venezuela Political-Administrative Chamber of the Supreme Court of Justice ("APC") to declare the absolute nullity of the administrative act contained in the resolution issued by the Ministry on May 27, 2022, and notified to Siembra Minera on May 30, 2022, which ratified the resolution issued on March 7, 2022, and notified to Siembra Minera on March 9, 2022, which terminated the mining rights granted to Siembra Minera, and against which Siembra Minera exercised the corresponding Administrative Request for Reconsideration. On February 9, 2023, the APC denied the Company's precautionary request to suspend the effects of the resolution. In October 2023, the appeal process with the Supreme Court of Justice was terminated.

U.S. and Canadian Sanctions

The U.S. and Canadian governments have imposed various Sanctions targeting Venezuela. The Sanctions, in aggregate, prevent certain dealings with Venezuelan government or state-owned or controlled entities and prohibit directors, management and employees of the Company who are U.S. Persons, persons in Canada or Canadians outside Canada from dealing with certain Venezuelan individuals or entering into certain transactions.

The Sanctions imposed by the U.S. government generally block all property of the government of Venezuela and prohibit directors, management and employees of the Company who are U.S. Persons (as defined by U.S. Sanction statutes) from dealing with the Venezuelan government and/or state-owned/controlled entities, entering into certain transactions or dealing with SDNs and target corruption in, among other identified sectors, the gold sector of the Venezuelan economy.

The Sanctions imposed by the Canadian government include asset freezes and prohibitions on dealings with certain named Venezuelan officials under the *Special Economic Measures (Venezuela) Regulations* of the *Special Economic Measures Act* and the *Justice for Victims of Corrupt Foreign Officials Regulations* of the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*.

The cumulative impact of the Sanctions continues to prohibit or restrict the Company, in certain ways, from working with Venezuelan government officials with respect to the Settlement Agreement and/or payment of the remaining balance of the Award plus interest and /or pursuing remedies with respect to the resolution by the Venezuelan Ministry of Mines to revoke the mining rights in connection with the Siembra Minera Project.

On October 18, 2023, the U.S. government relaxed certain aspects of U.S. sanctions targeting the Venezuelan gold, oil, and gas sectors. In February 2024, the U.S. government reinstated the U.S. sanctions targeting the Venezuelan gold sector and did the same in mid-April 2024 for U.S. sanctions targeting the Venezuelan oil and gas sectors because the Venezuelan government did not fulfill commitments made in conjunction with the U.S. sanctions relaxation. These changes do not affect the impact of the Sanctions on the Company.

Exploration Prospect

LMS Gold Project

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the "LMS 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 Net Smelter Returns ("NSRs") with respect to (i) "Precious Metals" produced and recovered from the LMS Property equal to 3% of NSRs on such metals (the "Precious Metals Royalty") and (ii) "Base Metals" produced and recovered from the LMS Property equal to 1% of NSRs on such metals, however 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. In 2019 Raven assigned the NSRs to Bronco Creek Exploration, Inc. The LMS Property, located in Alaska, remains at an early stage of exploration with limited annual on-site activities being conducted by the Company.

Obligations Due Upon Collection of the Award and Sale of Mining Data

Pursuant to a 2012 restructuring of convertible notes, we issued Contingent Value Rights ("CVRs") that entitle the holders to an aggregate of 5.466% of certain proceeds from Venezuela associated with the collection of the Award and/or sale of Mining Data or an enterprise sale, as such terms are defined in the CVRs (the "Proceeds"), less amounts for certain specified obligations (as defined in the CVR), as well as a bonus plan as described below. As of December 31, 2024, the total cumulative amount paid pursuant to the terms of the CVR from the sale of the Mining Data and collection of the Award was approximately $10 million.

The Board approved a bonus plan (the "Bonus Plan") in May 2012, which was intended to compensate the participants, including executive officers, employees, directors and consultants for their contributions related to: the development of the Brisas Project; the manner in which the development effort was carried out allowing the Company to present a strong defense of its arbitration claim; the support of the Company's execution of the Brisas Arbitration; and the ongoing efforts to assist with positioning the Company in the collection of the Award, sale of the Mining Data or enterprise sale. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized less applicable taxes multiplied by 1.28% of the first $200 million and 6.4% thereafter. The bonus pool is determined substantially in the same manner as Net Proceeds for the CVR. The Bonus Plan is administered by independent members of the Board of Directors. The bonus pool has been 100% allocated with participant percentages fixed and participants that have retired are fully vested.

Participation in the Bonus Plan by existing participants is fixed, subject to voluntary termination of employment or termination for cause. Participants who reach age 65 and retire are fully vested and continue to participate in future distributions under the Bonus Plan. As of December 31, 2024, the total cumulative amount paid pursuant to the terms of the Bonus Plan from the sale of the Mining Data and collection of the Award was approximately $4.4 million.

Intention to Distribute Funds Received in Connection with the Award in the Future

In June 2019, the Company completed a distribution of approximately $76 million or $0.76 per share to holders of Class A Shares as a return of capital (the "Return of Capital"). The Return of Capital was completed pursuant to a plan of arrangement under the ABCA which required approval by the Alberta Court of Queen's Bench (the "Court") and at least two-thirds of the votes cast by shareholders of the Company ("Shareholders") in respect of a special resolution.

Following the receipt, if any, of additional funds associated with the Settlement Agreement and/or Award and after applicable payments of obligations related to the CVR and Bonus Plan, we expect to distribute to our Shareholders a substantial majority of any remaining proceeds, subject to applicable regulatory requirements and retaining sufficient reserves for operating expenses, contractual obligations, accounts payable and income taxes, and any obligations arising as a result of the future collection of the remaining amounts owed by Venezuela.

FINANCIAL OVERVIEW

Our financial position is primarily a result of private placements of common stock in 2024, proceeds previously received pursuant to the Settlement Agreement and the results of operations. Recent operating results and current liquidity are primarily impacted by expenses resulting from legal enforcement activities associated with the Award, costs associated with maintaining our legal and regulatory obligations in good standing, income tax audits (as more fully described below) and other corporate general and administrative expenses.

Historically we have financed our operations through the issuance of common stock, other equity securities and debt and proceeds from payments under the Settlement Agreement. 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 continued collection, if any, of the proceeds associated with the collection of the Award and/or future financings, if any. We may need to rely on additional capital raises in the future.

Our longer-term funding requirements may be adversely impacted by the timing of the collection of the amounts due pursuant to the Settlement Agreement and/or Award, 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.

Income Tax Audits

IRS Audit

The 2017 through 2020 tax filings of the Company’s U.S. subsidiary are under examination by the Internal Revenue Service (IRS). In June 2024, the Company received a thirty-day letter and accompanying revenue agent’s report disallowing the worthless stock deductions (related to investments in the Brisas project) taken by the Company’s U.S. subsidiary for the 2017 tax year and proposing to tax income on or related to the Award that may be received by the Company in the future. The conclusions in the revenue agent’s report are consistent with the Notices of Proposed Adjustments (NOPA) issued by the IRS in 2023. The Company disagrees with the IRS’s position and filed a brief in August 2024 protesting the IRS’s conclusions and requesting an appeal. In October 2024, the IRS filed a rebuttal to the Company’s protest brief and the matter was sent to the IRS Independent Office of Appeals.

ASC 740-10-25 requires that the Company recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The tax benefits of the worthless stock deductions referred to above were previously recorded in the Company's financial statements on the basis that it was more likely than not that the tax filing position would be sustained. As of each balance sheet date, the Company reassesses the tax position and considers any changes in facts or circumstances that indicate factors underlying the sustainability assertion have changed and whether the amount of the recognized tax benefit is still appropriate.

In 2023, the Company determined it appropriate to derecognize the tax benefit of the worthless stock deductions given the increased uncertainty the IRS's position has raised and in consideration of the ongoing CRA audit. Accordingly, the Company recognized approximately $17.8 million in income tax expense (including interest of $1.8 million), as a result of the reversal of an $8.1 million income tax receivable and the recognition of an income tax payable of $9.7 million (including interest of $1.8 million) during the year ended December 31, 2023. In 2024, the Company recognized interest of $0.9 million on the income tax payable. As of December 31, 2024, the Company has a gross uncertain tax position of $16.0 million plus accrued interest of $2.7 million in relation to this matter.

Determining our tax liabilities requires the interpretation of complex tax regulations and significant judgment by management. There is no assurance that the IRS tax examinations to which we are currently subject, or any appeals of the IRS's position, will result in favorable outcomes.

CRA Audit

Prior to the Company's September 30, 2024 continuance to Bermuda, it was domiciled in Alberta, Canada as Gold Reserve Inc. (GRI). Canada Revenue Agency (CRA) is examining the Company's 2018 and 2019 international transactions and in November 2024, the Company received a letter (the "Proposal Letter") from the CRA advising that, subject to submissions by the Company, the CRA proposes to reassess GRI to include in its income certain amounts, including amounts in respect of the Award and/or the Settlement Agreement. The Proposal Letter proposes multiple alternative bases of assessment, in respect of the 2014, 2016, 2017 and 2018 taxation years of GRI. The maximum potential income inclusion amounts as set out in the Proposal Letter are the full amount of the 2014 Arbitral Award of $740.3 million, the Mining Data sales proceeds of $240 million, a Cdn $50.1 million 2017 shareholder benefit and a Cdn $163.2 million 2018 shareholder benefit (exclusive of interest); however these amounts do not take into account any deductions or adjustments that may be available to the Company to reduce the amount of the proposed income inclusions.

On January 31, 2025, the Company responded to the Proposal Letter, strongly disputing all proposed adjustments. In March 2025, the Company received additional information and document request from the CRA and the Company is preparing its response. Failing a resolution of the matter, the CRA may proceed to issue a notice of reassessment. If the CRA reassesses the Company as described in the Proposal Letter, the Company will have 90 days from the issuance of the notice of reassessment to prepare and file a notice of objection which would be reviewed by CRA's Appeals Division. At that time, the Company would be required to pay 50% of the assessed tax liability and interest in order to preclude CRA from initiating collections action. This payment, if made, would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern. If the CRA is not in agreement with the Company's notice of objection, within the prescribed period, the Company would have the right to appeal to the Tax Court of Canada. If a notice of reassessment is received, the Company currently estimates that the ultimate resolution of the matter may take two to four years. If the Company is ultimately successful in defending its position, then any taxes, interest and penalties paid to CRA would be refunded plus interest. If CRA is successful, then any taxes payable plus interest and any penalties would have to be remitted. This would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern.

Determining our tax liabilities requires the interpretation of complex tax regulations and significant judgment by management. There is no assurance that the CRA tax examinations to which we are currently subject will result in favorable outcomes.

Liquidity and Capital Resources

At December 31, 2024, we had cash and cash equivalents of approximately $42.8 million which represents an increase from December 31, 2023 of approximately $34.3 million. The net increase was primarily due to cash provided by investing and financing activities partially offset by cash used in operations as more fully described below.

	2024	Change	2023
Cash and cash equivalents	$ 42,823,737	$ 34,294,575	$ 8,529,162

As of December 31, 2024, we had financial resources including cash, cash equivalents, term deposits and marketable securities totaling approximately $78.4 million (predominantly held in U.S. and Canadian banks and financial institutions). In terms of financial obligations, the Company has current liabilities consisting of income tax payable, accounts payable, accrued expenses and severance liability of approximately $13.9 million. As noted above, the CRA has proposed to reassess the Company. If the CRA ultimately reassesses, it would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern (See "CRA Audit").

We have no revenue producing operations at this time. Our future working capital position is dependent upon the collection of amounts due pursuant to the Settlement Agreement and/or Award. We believe that we have sufficient working capital to carry on our activities for the next 12 to 24 months. However, payment of any significant cash deposit that may be required pursuant to any Potential Transaction (as defined herein), a change of administration in Venezuela and/or removal of Sanctions, an increase in legal expenses related to enforcement and collection of our Award, among other things, could result in increased activities and a higher cash burn-rate requiring us to seek additional sources of funding to ensure our ability to continue our business in the normal course. We may need to rely on additional capital raises in the future.

Operating Activities

Cash flow used in operating activities for the years ended December 31, 2024 and 2023 was approximately $12.1 million and $7.4 million, respectively. Cash flow used in operating activities consists of net loss adjusted for unrealized gains and losses on marketable securities, non-cash interest income, non-cash expense items primarily related to stock option compensation and depreciation and certain non-cash changes in working capital.

Cash flow used in operating activities during the year ended December 31, 2024 increased from the prior comparable period primarily due to increases in costs of enforcement of the Arbitral Award including legal and other expenses associated with a Potential Transaction in relation to the sale of the common shares of PDVH as further described herein, costs related to a cybersecurity incident and severance payments. The elevated costs of enforcement of the Arbitral Award have continued into 2025.

Investing Activities

	2024	Change	2023
Purchase of term deposits	$ (43,574,041)	$ 3,020,308	$ (46,594,349)
Proceeds from maturity of term deposits	40,078,914	(6,316,524)	46,395,438
Proceeds from disposition of property, plant and equipment	-	(775,000)	775,000
	$ (3,495,127)	$ (4,071,216)	$ 576,089

Cash flows used in investing activities increased during the year ended December 31, 2024 due to the net purchases of term deposits and a decrease in proceeds from disposition of equipment.

Financing Activities

	2024	Change	2023
Proceeds from private placement of common shares	$ 51,000,003	$ 51,000,003	$ -
Proceeds from exercise of stock options	921,850	920,769	1,081
Financing fees	(2,078,456)	(2,078,456)	-
	$ 49,843,397	$ 49,842,316	$ 1,081

Cash flows provided by financing activities increased during the year ended December 31, 2024 due to proceeds from common shares issued through private placements in June and July 2024 and an increase in proceeds from the exercise of stock options.

Contractual Obligations

As described above and in Note 3 to the audited consolidated financial statements, the Company is obligated to make payments under the Bonus Plan and CVR agreements based on the after-tax amounts received from Venezuela under the Settlement Agreement and/or Award.

The Company maintains change of control agreements with certain officers and a consultant as described in Note 9 to the audited consolidated financial statements. As of December 31, 2024, the amount payable to participants under the change of control agreements, in the event of a Change of Control, was approximately $1.7 million.

During the fourth quarter of 2021, the Company implemented a three-year cost reduction program which included a reduction in senior management compensation coupled with an incentive bonus plan. The program provided for the payment of a bonus upon the achievement of specific objectives related to the development of the Company's business and prospects in Venezuela within certain time frames. The program also provided for severance payments, upon the occurrence of certain events, related to termination of employment. As of December 31, 2024, all of the individuals who were parties to these agreements had retired. As of December 31, 2024 and 2023, the Company had accrued liabilities for severance payments of approximately $1.0 million and $0.7 million, respectively. These amounts are included in general and administrative expense for the years ended December 31, 2024 and 2023. In addition, subsequent to their retirements, these individuals entered 3-year consulting agreements with the Company and will continue to participate in the Bonus Plan in accordance with its terms for retired employees. The remaining fees payable under these consulting agreements total $603,118 in 2025, $462,239 in 2026 and $331,934 in 2027.

Financial Assistance

In June 2023 the Company's representative in Venezuela, Jose Ignacio Moreno Suarez, who is also a shareholder of the Company, was arrested and imprisoned by the Venezuela Directorate of Military Counter-Intelligence. Mr. Moreno was subsequently charged with various criminal offences. The Company believes these actions are unlawful, political in nature, and constitute *inter alia* illegal retaliation against the Company for exercising its legal rights against Venezuela and its agencies and instrumentalities. To date, the Company has paid approximately $257,000 to the law firm representing Mr. Moreno for legal expenses related to his detention and paid Mr. Moreno approximately $42,000 as an advance under his consulting agreement. Such payments are not anticipated to be repaid.

Private Placements

In June 2024, the Company closed a private placement of shares for gross proceeds of $15.0 million. Pursuant to the private placement, the Company issued 4,285,715 of Class A common shares at a price per share of $3.50. In connection with the offering, the Company incurred costs of approximately 0.8 million for net proceeds of approximately $14.2 million.

In July 2024, the Company closed a private placement of shares for gross proceeds of $36.0 million. Pursuant to the private placement, the Company issued 8,780,488 of Class A common shares at a price per share of $4.10. In connection with the offering, the Company incurred costs of approximately $1.4 million for net proceeds of approximately $34.6 million.

The Company is evaluating and considering engaging in a potential transaction in relation to the sale of the common shares of PDV Holdings, Inc., (PDVH) the indirect parent company of CITGO Petroleum Corp, pursuant to the sales and bidding procedures managed by the Special Master appointed by the U.S. District Court for the District of Delaware. The Company currently does not have any obligations or commitments with respect to any potential transaction.

The net proceeds from the 2024 private placements, as well as additional cash on hand, provide the Company with funds to be used to assist in funding certain expenses in connection with any Potential Transaction, including any cash deposit required with respect thereto; however, there can be no assurance that any Potential Transaction will be consummated and in such case, the net proceeds of the private placement may also be used for working capital and general corporate purposes.

Cybersecurity Incident, Response and Governance

In April 2024, the Company detected a cybersecurity incident wherein an unauthorized third party gained network access through a firewall configuration vulnerability. Upon detection, management immediately responded to the incident under the direct oversight of senior Company executives. The comprehensive response included: (i) engagement of a specialized cybersecurity firm for forensic investigation; (ii) containment of the security breach; (iii) remediation of the identified vulnerability; and (iv) restoration of affected systems.

Remediation activities were completed at a total cost of approximately $1.0 million, which has been included in general and administrative expense in the consolidated statements of operations and comprehensive loss for the year ended

December 31, 2024. Following this incident, management conducted a comprehensive review of the Company's security infrastructure and implemented significant enhancements to our cybersecurity framework, including upgraded firewall architecture, implementation of multi-factor authentication across all systems, expansion of endpoint detection and response capabilities, and enhanced employee security awareness training. These security measures align with current industry best practices and regulatory guidance from relevant authorities. The Board of Directors has also strengthened its cybersecurity oversight function, with the Audit Committee now receiving briefings on the Company's security program status and emerging threat landscape. Based on thorough assessment and the remediation measures implemented, management has determined that this incident did not and will not have a material impact on the Company's operations, financial condition, or market reputation.

Board Appointment

In May 2024, Paul Rivett was appointed as a director and as the Executive Vice-Chairman of the Board of Directors.

Results of Operations

Summary

Consolidated income, expenses, net loss before income tax expense and net loss for the years ended December 31, 2024 and 2023 were as follows:

	2024	Change	2023
Income (loss)	$ 3,107,098	$ 158,173	$ 2,948,925
Expenses	(17,384,120)	(9,115,086)	(8,269,034)
Net loss before income tax expense	$ (14,277,022)	$ (8,956,913)	$ (5,320,109)
Income tax expense	(911,961)	16,886,922	(17,798,883)
Net loss and comprehensive loss for the year	$ (15,188,983)	$ 7,930,009	$ (23,118,992)

Income (Loss)

	2024	Change	2023
Interest income	$ 2,921,149	$ 1,009,857	$ 1,911,292
Unrealized gain on marketable equity securities	248,569	(829,270)	1,077,839
Foreign currency loss	(62,620)	(22,414)	(40,206)
	$ 3,107,098	$ 158,173	$ 2,948,925

As the Company has no commercial production or source of operating cash flow at this time, income is often variable from period to period. For the year ended December 31, 2024, income increased over the prior year primarily as a result of an increase in interest income offset by a decrease in unrealized gain on marketable equity securities and an increase in foreign currency loss.

Expenses

	2024	Change	2023
Corporate general and administrative	$ 8,106,919	$ 3,245,810	$ 4,861,109
Legal and accounting	3,815,910	1,901,906	1,914,004
Enforcement of Arbitral Award	5,400,173	4,312,403	1,087,770
Exploration costs	61,118	(3,083)	64,201
Equipment holding costs	-	(148,200)	148,200
Write-down of equipment	-	(193,750)	193,750
Total expenses for the period	$ 17,384,120	$ 9,115,086	$ 8,269,034

Corporate general and administrative expense for the year ended December 31, 2024, increased primarily due to costs associated with the cybersecurity incident and stock option compensation. Legal and accounting expenses increased primarily as a result of an increase in professional fees associated with tax compliance, potential new arbitration proceedings, the continuance to Bermuda and other corporate matters. Enforcement of Arbitral Award expense increased due to legal and other costs associated with enforcement and collection of the Award including costs of the legal proceedings in Delaware and Portugal. Equipment holding costs decreased due to the 2023 sale of the final piece of equipment originally intended for use on the Brisas Project. Overall, total expenses for the year ended December 31, 2024 increased by approximately $9.1 million from the comparable period in 2023.

Summary of Quarterly Results (1)

Quarter ended	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Income (loss)	$8,215	$962,142	$743,753	$1,392,988	$835,394	$840,718	$784,856	$487,957
Net loss								
before tax	(6,226,458)	(2,891,228)	(3,959,352)	(1,199,984)	(1,976,810)	(845,463)	(1,403,770)	(1,094,066)
Per share	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Fully diluted	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Net loss	(6,490,088)	(3,145,554)	(4,158,314)	(1,395,027)	(2,170,580)	(18,450,576)	(1,403,770)	(1,094,066)
Per share	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.19)	(0.01)	(0.01)
Fully diluted	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.19)	(0.01)	(0.01)

(1) The information shown above is derived from our unaudited consolidated financial statements that have been prepared in accordance with U.S. generally accepted accounting principles.

In the fourth quarter of 2024, income decreased due to a decrease in unrealized gain on equity securities and an increase in the foreign currency loss, offset by an increase in interest income as a result of higher levels of cash and term deposits. In the third quarter of 2024, income increased due to an increase in interest income as a result of higher levels of cash and term deposits, partially offset by a decrease in unrealized gains on equity securities. In the second quarter of 2024, income decreased due to a decrease in unrealized gain on equity securities and an increase in foreign currency losses. In the first quarter of 2024, income increased due to an increase in unrealized gain on equity securities. In the fourth quarter of 2023, income was substantially consistent with the prior quarter. In the third quarter of 2023, income increased due to increases in interest income and unrealized gains on marketable equity securities partially offset by foreign currency loss. In the second quarter of 2023, income increased primarily due to an increase in unrealized gains on marketable equity securities. In the first quarter of 2023, income increased due to increased interest income as a result of an increase in interest rates. In the fourth quarter of 2022, income increased primarily due to increased interest income as a result of an increase in interest rates.

In the fourth quarter of 2024, net loss increased primarily due to an increase in general and administrative expense and an increase in legal and other costs associated with the enforcement of the Award and other corporate matters. In the third quarter of 2024, net loss decreased primarily due to a decrease in general and administrative expense as a result of the remediation of the second quarter cybersecurity incident. In the second quarter of 2024, net loss increased primarily due to an increase in general and administrative expense and an increase in legal and other costs associated with the enforcement of the Award. In the first quarter of 2024, net loss decreased due to a decrease in general and administrative expense and an increase in unrealized gain on equity securities. In the fourth quarter of 2023, net loss decreased due to a decrease in income tax expense. In the third quarter of 2023, net loss increased primarily due to income tax expense, partially offset by a decrease in costs of enforcement of the Award and an increase in income as described above. In the second quarter of 2023, net loss increased due to legal and other costs associated with enforcement of the Award and a write-down of equipment, partially offset by an increase in gains on marketable equity securities. In the first quarter of 2023, net loss decreased primarily due to increased interest income as a result of an increase in interest rates. In the fourth quarter of 2022, net loss increased primarily due to an increase in contingent value rights expense, write-down of property, plant and equipment and enforcement of arbitral award expense.

Selected Annual Information (1)

	2024	2023	2022
Income (loss)	$ 3,107,098	$ 2,948,925	$ 466,673
Expenses	$ (17,384,120)	$ (8,269,034)	$ (9,063,189)
Income tax expense	$ (911,961)	$ (17,798,883)	$ -
Net loss	$ (15,188,983)	$ (23,118,992)	$ (8,596,516)
Net loss per share, basic and diluted	$ (0.14)	$ (0.23)	$ (0.09)
Total assets	$ 79,042,799	$ 39,740,147	$ 52,943,925
Total liabilities	$ 13,943,603	$ 11,164,775	$ 1,351,341
Total shareholders' equity	$ 65,099,196	$ 28,575,372	$ 51,592,584
Common shares outstanding	113,037,414	99,548,711	99,547,710

(1) The selected annual information shown above is derived from our audited consolidated financial statements that have been prepared in accordance with U.S. generally accepted accounting principles.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

As of December 31, 2024, the Company had an accrued liability for severance payments of approximately $1.0 million related to the retirement of the Company's President effective December 12, 2024. This amount was recorded in general and administrative expense for the year ended December 31, 2024. Subsequent to his retirement as President and a director, Mr. Coleman entered a 3-year consulting agreement with the Company. Mr. Coleman's consulting fees, in accordance with the agreement, total $1.0 million which will be paid over the 3-year term.

As of December 31, 2023, the Company had an accrued liability for severance payments of approximately $0.7 million related to the retirement of the Company's CEO effective February 13, 2024. This amount was recorded in general and administrative expense for the year ended December 31, 2023. Subsequent to his retirement as CEO, Mr. Timm entered a 3-year consulting agreement with the Company and continued as a director until he resigned on December 12, 2024. Mr. Timm's consulting fees, in accordance with the agreement, are $208,333 in the first year, $156,250 in the second year and $125,000 in the third year.

The Company's former President and director, A. Douglas Belanger, retired from the Company effective December 31, 2022 and entered a 3-year consulting arrangement with the Company effective January 1, 2023. Mr. Belanger's consulting fees, in accordance with the arrangement, are $150,000 in 2023, $112,500 in 2024 and $90,000 in 2025.

Disclosure Controls and Procedures (DC&P)

An evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, the "DC&P") as of the end of the period covered by this MD&A. Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that our DC&P were effective as of December 31, 2024 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC rules and forms.

Internal Control over Financial Reporting (ICFR)

Management is responsible for establishing and maintaining ICFR. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our ICFR as of December 31, 2024 based on the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management concluded that our ICFR was effective as of December 31, 2024.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act), during our fiscal quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Critical Accounting 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.

Critical accounting estimates used in the preparation of the audited consolidated financial statements include the:

- preparation of tax filings in the U.S. and Canada and the determination of income tax expense which requires considerable judgment and the use of assumptions. The CRA's Proposal Letter contemplates reassessing the Company to include in its income certain amounts, including amounts in respect of the Award and/or the Settlement Agreement, which would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern if the Company is liable under the assessments either as proposed or pursuant to a different basis of assessment. The NOPAs issued by the IRS in 2023 resulted in the recognition of $17.8 million in income tax expense during the year ended December 31, 2023;
- use of the fair value method of accounting for stock options which is computed using the Black-Scholes method which utilizes estimates that affect the amounts ultimately recorded as stock-based compensation; and
- recognition of the receivable and associated obligations with the Award (See Note 3 to the audited consolidated financial statements).

The amounts reported based on accounting estimates could vary in the future.

Any current or future operations we may have are subject to the effects of changes in legal, tax and regulatory regimes, political, labor and economic developments, social and political unrest, currency and exchange controls, import/export restrictions and government bureaucracy in the countries in which it operates.

RISK FACTORS

Set out below are certain risk factors that could materially adversely affect our future business, operating results or financial condition. Investors should carefully consider these risk factors and the other risk factors and information in this MD&A and our filings with Canadian securities regulators, before making investment decisions involving our securities. The following risk factors, as well as risks not currently known to us, could adversely affect our future business, operations and financial condition and could cause future results to differ materially from the estimates described in our forward-looking statements.

Risks Related to Collection of the Arbitral Award

Failure to collect amounts due pursuant to the Arbitral Award and/or Settlement Agreement would materially adversely affect the Company.

In July 2016, we signed the Settlement Agreement whereby Venezuela agreed to pay us an Arbitral Award (the "Award") (including interest) and purchase our technical mining data (the "Mining Data") associated with our previous mining project in Venezuela (the "Brisas Project"). Under the terms of the Settlement Agreement (as amended), Venezuela agreed to pay the Company $792 million to satisfy the Award and $240 million for the purchase of our Mining Data for a total of approximately $1.032 billion to be paid in monthly installments ending on or before June 15, 2019. The remaining unpaid and delinquent amount due from Venezuela pursuant to the Settlement Agreement, as of the date of this report, totals approximately $1.16 billion (including interest). The Company also has various proceedings against the government of Venezuela, including with respect to the writ of attachment relating to shares of PDVH, whereby the Company may potentially enforce the Award by participating in the potential sale of PDVH shares, and the motions granted by the Lisbon District Court in Portugal to attach certain funds. Failure to collect these amounts could materially adversely affect the Company.

Termination of the Settlement Agreement as a result of Venezuela's failure to make the contemplated payments thereunder could materially adversely affect the Company.

In conjunction with entry into the Settlement Agreement, the Company agreed to suspend the legal enforcement of the Award, subject to Venezuela making the payments on the schedule set forth in the Settlement Agreement, and Venezuela agreed to irrevocably waive its right to appeal the February 2017 judgment issued by the Cour d'appel de Paris dismissing the annulment applications filed by Venezuela in respect of the Award and agreed to terminate all other proceedings seeking annulment of the Award.

Notwithstanding Venezuela having waived its right to appeal, enforcement and collection of the Award has been a lengthy process and will be ongoing for the foreseeable future if we are not able to collect the amounts due to us as contemplated in the Settlement Agreement and/or the Award. In addition, the cost of pursuing collection of the Award could be substantial and there is no assurance that we will be successful. Failure to otherwise collect the Award would materially adversely affect our ability to maintain sufficient liquidity to operate as a going concern.

We have no commercial operations and may be unable to continue as a going concern.

We have no revenue producing operations at this time. Our future working capital position is dependent upon the collection of amounts due pursuant to the Settlement Agreement and/or Award or our ability to raise additional funds from the capital markets or other external sources. We believe that we have sufficient working capital to carry on our activities for the next 12 to 24 months. However, a change of administration in Venezuela and/or removal of Sanctions, an increase in legal expenses related to enforcement and collection of our Award, among other things, could result in increased activities and a higher cash burn-rate requiring us to seek additional sources of funding to ensure our ability to continue our business in the normal course. We may need to rely on additional capital raises in the future.

Our reliance on the receipt of the payments contemplated by the Settlement Agreement or the collection of the Award for our operating needs is expected to continue into the foreseeable future. If we are unable to collect amounts due pursuant to the Settlement Agreement and/or Award, our longer-term funding requirements may be adversely impacted. Unforeseen financial market conditions, industry conditions or other unknown or unpredictable conditions may exist in the future and, as a result, there can be no assurance that alternative funding would be available or, if available, offered on acceptable terms.

Risks Related to Sanctions Imposed on Venezuela by the U.S. and Canadian Governments

Sanctions currently imposed on Venezuela and related governmental officials by the U.S. and Canada, and any further sanctions that may be imposed in the future, could materially adversely affect the Company.

The U.S. and Canadian governments have imposed sanctions targeting the Venezuelan government and certain Venezuelan individuals (the "Sanctions") that apply to Siembra Minera as a result of the Venezuelan government's 55% ownership and the collection of amounts due pursuant to the Award and/or Settlement Agreement.

Failure to comply with these Sanctions could result in civil or, in some cases, criminal consequences for the Company and/or our officers and directors. Compliance with the current Sanctions, as well as any future Sanctions that may be imposed by the U.S. or Canada, may further restrict our ability to consummate the transactions contemplated by the Settlement Agreement or interact with Venezuela as to collection of the Award and Siembra Minera. The Sanctions will continue indefinitely until modified by the U.S. or the Canadian government.

Risks Related to the Class A Shares

The price and liquidity of the Class A Shares may be volatile.

The market price of the Class A Shares may fluctuate based on a number of factors, some of which are beyond our control, including:

- we do not have an active market for the Class A Shares and large sell or buy transactions may affect the market price;
- developments in the legal proceedings in Delaware and Portugal;
- economic and political developments in Venezuela;
- our ability to collect amounts owed pursuant to the Award;
- the impact of Sanctions on our ability to consummate the transactions contemplated by the Settlement Agreement;
- our operating performance and financial condition;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general purposes;
- the public's reaction to announcements or filings by us or other companies;
- the public's reaction to negative news regarding Venezuela and/or international responses to Venezuelan domestic and international policies;
- the price of gold, copper and silver;
- the addition to or changes to existing personnel; and
- general global economic conditions, including, without limitation, interest rates, general levels of economic activity, fluctuations in market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters and public health crises.

The effect of these and other factors on the market price of the Class A Shares has historically made our share price volatile and suggests that our share price will continue to be volatile in the future.

We may issue additional Class A Shares, debt instruments convertible into Class A Shares or other equity-based instruments to fund future operations.

We cannot predict the size of any future issuances of securities, or the effect, if any, that future issuances and sales of our securities will have on the market price of the Class A Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into shares, may result in dilution to present and prospective holders of shares.

The Company's current or future plans to declare cash dividends or make distributions to Shareholders are subject to inherent risks.

We may declare cash dividends or make distributions in the future only if our earnings (including payment of the Award) and capital are sufficient to justify the payment of such dividends or distributions. However, we may have to rely on additional capital raises in the future. At this time, we do not anticipate any.

Risks Related to our Operations

Risks inherent in the mining industry could adversely impact future operations.

Exploration for gold and other metals is speculative in nature, involves many risks and frequently is unsuccessful. As is customary in the industry, not all prospects will be positive or progress to later stages (e.g., the feasibility, permitting, development and operating stages), therefore, we can provide no assurances as to the future success of our efforts related to the Siembra Minera Project and the wholly-owned mining claims known as the LMS Gold Project (the "LMS Property"). Exploration programs entail risks relating to location, metallurgical processes, governmental permits and regulatory approvals and the construction of mining and processing facilities. Development can take a number of years, requiring substantial expenditures and there is no assurance that we will have, or be able to raise, the required funds to engage in these activities or to meet our obligations with respect to the Siembra Minera Project and the LMS Property. Any one or more of these factors or occurrences of other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies.

Failure to attract new and/or retain existing personnel could adversely affect us.

We are dependent upon the abilities and continued participation of existing personnel to manage our activities and to identify, acquire and develop new opportunities. The loss of existing employees or an inability to obtain new personnel necessary to execute future efforts could have a material adverse effect on our future operations.

We may have exposure to greater than previously anticipated tax liabilities, which could harm our business.

We have tax filings that are currently (or may in the future be) under audit by U.S. and Canadian tax authorities. There are risks associated with potential tax, accounting or financial impacts, including any potential income tax liabilities in addition to those currently recorded, that may result from the current (or any future) audits or reassessments of our tax filings by U.S. and Canadian tax authorities, including with respect to the Canada Revenue Agency's (the "CRA's") proposal letter received by the Company in November 2024 (the "Proposal Letter"), advising that, subject to submissions by the Company, the CRA is proposing to reassess the Company to include in its income certain amounts, including amounts in respect of the Award and/or the Settlement Agreement, which would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern if the Company is liable under the assessments either as proposed or pursuant to a different basis of assessment, the Company's response to the Proposal Letter (including its view of its tax filing positions), the Company's intention to defend potential reassessments if issued by CRA, any adjustments or deductions that may be available to the Company to reduce amounts payable and the length of time it may take to resolve the proposal or any objection to any reassessment. Any adverse outcome from these tax audits could seriously harm our business. We have incurred significant legal and other costs in response to these audits and may incur significant additional costs prior to resolving these matters. Determining our tax liabilities requires the interpretation of complex tax regulations and significant judgment by management that may be challenged by the applicable tax authorities. We cannot guarantee that any tax audit to which we are currently subject or that which we may be subject to in the future will result in a favorable outcome. Our results of operations and cash flows could be adversely affected by additional taxes imposed on us. These factors could materially adversely affect our Company and the trading price of our common stock.

U.S. Internal Revenue Service designation as a "passive foreign investment company" may result in adverse U.S. tax consequences to U.S. Holders.

U.S. Holders should be aware that we have determined that we were a "passive foreign investment company" (a "PFIC") under Section 1297(a) of the U.S. Internal Revenue Code (the "Code") for the taxable year ended December 31, 2024. We have not made, and do not expect to make, a determination as to whether any of our subsidiaries were PFICs as to any of our Shareholders for the taxable year ended December 31, 2024. U.S. Holders should also be aware that unless a timely and effective "QEF election" was made with respect to Class A shares held during any period during which we were a PFIC, with respect to those shares, we are generally deemed to continue to be a PFIC with respect to such U.S. Holder for each taxable period.

The determination of whether we and any of our subsidiaries will be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether we and any of our subsidiaries will be a PFIC with respect to a U.S. Holder for any taxable year generally depends on our assets and income and those of our subsidiaries over the course of each such taxable year and, as a result, cannot be predicted with certainty for the current or any future year.

For taxable years in which we are a PFIC, subject to the discussion below, any gain recognized on the sale of our Class A shares and any "excess distributions" (as specifically defined by the Code) paid on our Class A shares must be ratably allocated to each day in a U.S. Holder's holding period for the Class A shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. Holder's holding period for the Class A shares during which we were a PFIC generally will be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year, and the U.S. Holder will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. Holder that makes a timely and effective "QEF election" generally will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of our "net capital gain" and "ordinary earnings" (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by us. For a U.S. Holder to make a QEF election, we must agree to supply annually to the U.S. Holder the "PFIC Annual Information Statement" and permit the U.S. Holder access to certain information in the event of an audit by the IRS. We will prepare and make the annual statement available to U.S. Holders, and will permit access to the required information in the event of an audit by the IRS. As a possible second alternative, a U.S. Holder may make a "mark-to-market election" with respect to a taxable year in which we are a PFIC and the Class A shares are "marketable stock" (as specifically defined). A U.S. Holder that makes a mark-to-market election generally will include in gross income, for each taxable year in which we are a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Class A shares as of the close of such taxable year over (b) such U.S. Holder's adjusted tax basis in such Class A shares.

Due to the complexity of the PFIC rules, a U.S. Holder should consult its own financial advisor, legal counsel, or accountant regarding the status of the Company and its subsidiaries as PFICs and the eligibility, manner and advisability of making a QEF election or a mark-to-market election and how the PFIC rules may affect the U.S. federal income tax consequences of a U.S. Holder's ownership and disposition of Class A shares.

There are material tax risks associated with holding and selling or otherwise disposing of Class A Shares.

There are material tax risks associated with holding and selling or otherwise disposing of Class A Shares. Each prospective investor is urged to consult its own tax advisor regarding the tax consequences to him or her with respect to the ownership and disposition of the Class A Shares.

It may be difficult to bring certain actions or enforce judgments against the Company and/or its directors and executive officers.

Investors in the U.S. or in other jurisdictions may have difficulty bringing actions and enforcing judgments against us, our directors or executive officers based on civil liability provisions of federal securities laws or other laws of the U.S. or any state thereof or the equivalent laws of other jurisdictions of residence. We are organized under the laws of Bermuda. Some of our directors and officers, and some of the experts named from time to time in our filings, are residents of Canada, Bermuda or otherwise reside outside of the U.S. and all or a substantial portion of their and our assets, may be located outside of the U.S. As a result, it may be difficult for investors in the U.S. to bring an action in the U.S. against our directors, officers or experts who are not residents in the U.S. It may also be difficult for an investor to enforce a judgment obtained in a U.S. court or a court of another jurisdiction of residence predicated upon the civil liability provisions of Canadian securities laws or U.S. federal securities laws or other laws of the U.S. or any state thereof against us or those persons.

Risks Related to the Request for Arbitration Against Venezuela Related to the Revocation of Rights with Respect to the Siembra Minera Project

In March 2022, the Ministry of Mines of Venezuela ("Ministry") issued a resolution to revoke the mining rights of Siembra Minera for alleged non-compliance by Siembra Minera with certain Venezuelan mining regulations. Siembra Minera filed a reconsideration request in May 2022 which was denied by the Ministry. The Company disagrees with both the substantive and procedural grounds claimed by the Venezuelan government regarding the revocation of mining rights and the reconsideration request. The Company withdrew its appeal of the resolution with the Venezuelan Supreme Court of Justice and the appeal was terminated in October 2023. As a result of the unlawful revocation by Venezuela of the mining rights assigned to Siembra Minera, in December 2023, the Company issued notice to Venezuela of the existence of a dispute under the "Agreement Between the Government of Canada and the Government of the Republic of Venezuela for the Promotion and Protection of Investments" and under the "Agreement between the Government of Barbados and the Government of the Republic of Venezuela for the Promotion and Protection of Investments. The notice advised Venezuela inter alia that: (i) in the event the Company commences an international arbitration, it would claim for all remedies available under applicable law; and (ii) Venezuela's unlawful actions and omissions have substantially damaged the value of the Company's investments and could result in claims being brought against Venezuela for an amount in excess of US $7 billion. In March 2025, the Company filed a request for arbitration against Venezuela under the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes of the World Bank in Washington, D.C. The cost of prosecuting an arbitration against Venezuela could be substantial and there is no assurance that we will be successful in establishing jurisdiction, liability or damages in our claims against the Venezuelan government. Based on the uncertain nature of arbitration under investment treaties, we do not have a basis upon which to estimate the timing or the amount of any award or settlement, if any, or the likelihood of its collection. Accordingly, there can be no assurances that arbitration proceedings will be completed or settled within any specific or reasonable period of time, that we will receive any award or settlement or that any award or settlement will be collected within any specific or reasonable period of time following the award or settlement, if any.

DISCLOSURE OF OUTSTANDING SHARE DATA

Class A Shares

We are authorized to issue 500,000,000 of Class A Shares with a par value of US$0.01 of which 113,037,414 Class A Shares were issued and outstanding as at the date hereof. Shareholders are entitled to receive notice of and attend all meetings of Shareholders, with each Class A Share held entitling the holder to one vote on any resolution to be passed at such Shareholder meetings. Shareholders are entitled to dividends if, as and when declared by the Board. Shareholders are entitled upon liquidation, dissolution or winding up of the Company to receive the remaining assets available for distribution to Shareholders.

Share Purchase Options

We maintain the 2012 Equity Incentive Plan (the "2012 Plan") which provides for the grant of stock options on up to 14,932,307 Class A Shares. As of the date of this MD&A, 11,952,392 of those options were outstanding and 2,677,415 options were 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 established pursuant to the 2012 Plan, or in certain cases, by the Board.

Stock options exercisable for common shares as of the date hereof:

Expiry Date	Exercise Price	Number of Shares
June 29, 2025	$ 3.15	145,000
February 16, 2027	$ 2.39	3,244,643
May 1, 2027	$ 1.93	125,000
May 3, 2029	$ 3.28	250,000
May 3, 2029	$ 5.00	500,000
May 3, 2029	$ 7.00	2,500,000
October 4, 2029	$ 2.35	1,000,000
September 9, 2030	$ 1.75	125,000
September 25, 2030	$ 1.70	135,000
January 7, 2031	$ 1.61	50,000
October 4, 2031	$ 1.60	2,863,750
October 4, 2032	$ 0.99	100,000
November 17, 2032	$ 1.08	143,999
December 14, 2033	$ 2.52	145,000
February 9, 2034	$ 3.18	140,000
June 14, 2034	$ 4.48	50,000
December 12, 2034	$ 1.63	435,000
Total Class A Shares issuable pursuant to stock options		11,952,392

Capital Structure

The following summarizes our share capital structure as of the date hereof:

Class A Shares outstanding	113,037,414
Shares issuable pursuant to the 2012 Equity Incentive Plan	11,952,392
Total shares outstanding, fully diluted	124,989,806

ADDITIONAL INFORMATION

Additional information relating to our Company is on SEDAR+ at www.sedarplus.com.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Gold Reserve Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Gold Reserve Ltd. (the "Company") as of December 31, 2024, the related consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for the year ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Prior Period Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023, were audited by PricewaterhouseCoopers LLP, whose report dated April 19, 2024, expressed an unmodified opinion on those statements.

Retrospective Adjustment

We also have audited the adjustment to the 2023 consolidated financial statements for the retrospective application of Financial Accounting Standards Board Accounting Standards Update No. 2023-07, Segment Reporting (Topic 280) described in Note 1. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2023 consolidated financial statements of the Company other than with respect to Segment Reporting, and, accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements taken as a whole.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Uncertain Tax Positions Related to the Canadian tax audit — Refer to Note 10 to the financial statements

Canada Revenue Agency (CRA) is examining the Company's 2018 and 2019 international transactions, including amounts in respect of the Award and/or the Settlement Agreement. The Company has an uncertain tax position as it relates to the tax impact of the potential income inclusions outlined in the Proposal Letter. The Company has not recorded any amount related to this matter in its financial statements as of and for the year ended December 31, 2024.The principal considerations for our determination that performing procedures relating to the Canadian tax disputes is a critical audit matter are (i) the significant judgment by management when applying the more-likely-than-not recognition criteria to the Company's uncertain tax positions based on the application of the tax law; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to management's assumption that the Company will prevail in the appeal of any tax assessment; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included obtaining management's assessment and evidence supporting the more-likely-than-not tax position on the Canadian tax disputes and evaluating the reasonableness of the likelihood that the tax positions will ultimately be sustained upon examination by the Canadian tax authorities and through the appeals process. Professionals with specialized skill and knowledge were used to assist in evaluating management's assessment and supporting evidence related to the application of the tax law.

/s/*CBIZ CPAs P.C.*

CBIZ CPAs P.C.

We have served as the Company's auditor since 2024

Houston, Texas
April 29, 2025

GOLD RESERVE LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. dollars)

		December 31, 2024	December 31, 2023
ASSETS			
Current Assets:			
Cash and cash equivalents (Note 4)		$ 42,823,737	$ 8,529,162
Term deposits (Note 5)		34,171,941	29,361,215
Marketable equity securities (Note 6)		1,424,461	1,175,892
Prepaid expense and other		257,735	289,488
Total current assets		78,677,874	39,355,757
Property, plant and equipment, net (Note 7)		364,925	384,390
Total assets		$ 79,042,799	$ 39,740,147
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses		$ 2,323,863	$ 713,485
Income tax payable (Note 10)		10,619,740	9,707,779
Severance accrual (Note 9)		1,000,000	743,511
Total current liabilities		13,943,603	11,164,775
Total liabilities		13,943,603	11,164,775
SHAREHOLDERS' EQUITY			
Serial preferred stock, without par value			
Authorized:	2024…None; 2023…Unlimited		
Issued:	None		
Common shares (Note 11 and 12)		1,130,374	302,681,173
Class A common shares			
Par value:	2024…$0.01; 2023…None		
Authorized:	2024…500,000,000; 2023…Unlimited		
Issued and outstanding:	2024…113,037,414; 2023…99,548,711		
Common Share Premium (Note 12)		351,725,060	–
Contributed surplus		20,625,372	20,625,372
Stock options (Note 9)		25,200,136	23,661,590
Accumulated deficit		(333,581,746)	(318,392,763)
Total shareholders' equity		65,099,196	28,575,372
Total liabilities and shareholders' equity		$ 79,042,799	$ 39,740,147

Commitments and Contingencies (Note 3 and 9)

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

Approved by the Board of Directors:

/s/ James P. Tunkey /s/ Yves M. Gagnon

GOLD RESERVE LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in U.S. dollars)

	For the Years Ended December 31,	
	2024	**2023**
INCOME (LOSS)		
Interest income	$ 2,921,149	$ 1,911,292
Unrealized gain on equity securities (Note 6)	248,569	1,077,839
Foreign currency loss	(62,620)	(40,206)
	3,107,098	2,948,925
EXPENSES		
Corporate general and administrative (Notes 3 and 9)	8,106,919	4,861,109
Legal and accounting	3,815,910	1,914,004
Enforcement of Arbitral Award (Note 3)	5,400,173	1,087,770
Exploration costs	61,118	64,201
Equipment holding costs	–	148,200
Write-down of equipment (Note 7)	–	193,750
	17,384,120	8,269,034
Net loss before income tax expense	(14,277,022)	(5,320,109)
Income tax expense (Note 10)	(911,961)	(17,798,883)
Net loss and comprehensive loss for the year	$ (15,188,983)	$ (23,118,992)
Net loss per share, basic and diluted	$ (0.14)	$ (0.23)
Weighted average common shares outstanding, basic and diluted	106,557,902	99,548,080

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

GOLD RESERVE LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years Ended December 31, 2024 and 2023

(Expressed in U.S. dollars)

	Common Shares			Contributed		Accumulated
	Number	Amount	Premium	Surplus	Stock Options	Deficit
Balance, December 31, 2022	99,547,710	$ 302,679,682	$ –	$ 20,625,372	$ 23,561,301	$(295,273,771)
Net loss for the year	–	–	–	–	–	(23,118,992)
Common shares issued for:						
Option exercises	1,001	1,491	–	–	(410)	–
Stock option compensation (Note 9)	–	–	–	–	100,699	–
Balance, December 31, 2023	99,548,711	302,681,173	–	20,625,372	23,661,590	(318,392,763)
Net loss for the year	–	–	–	–	–	(15,188,983)
Stock option compensation (Note 9)	–	–	–	–	1,869,410	–
Fair value of options exercised	–	330,864	–	–	(330,864)	–
Common shares issued for:						
Private placement, net of cost	13,066,203	48,921,547	–	–	–	–
Option exercises	422,500	921,850	–	–	–	–
Reclassification (Note 12)	–	(351,725,060)	351,725,060	–	–	–
Balance, December 31, 2024	113,037,414	$ 1,130,374	$351,725,060	$ 20,625,372	$ 25,200,136	$(333,581,746)

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

GOLD RESERVE LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollars)

	For the Years Ended December 31,	
	2024	**2023**
Cash Flows from Operating Activities:		
Net loss for the year	$ (15,188,983)	$ (23,118,992)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock option compensation (Note 9)	1,869,410	100,699
Depreciation	14,695	63,012
Write-down of assets held for sale (Note 7)	–	193,750
Write-off of property, plant and equipment	4,770	–
Unrealized gain on marketable equity securities (Note 6)	(248,569)	(1,077,839)
Amortized interest on term deposits (Note 5)	(1,315,599)	(1,663,116)
Decrease in income tax receivable related to change in uncertain tax position (Note10)	–	8,091,104
Changes in non-cash working capital:		
Increase in income tax payable (Note 10)	911,961	9,707,779
Increase in severance accrual (Note 9)	256,489	211,530
Decrease in contingent value rights accrual	–	(172,077)
Net decrease in prepaid expense and other	31,753	169,451
Net increase in payables and accrued expenses	1,610,378	66,202
Net cash used in operating activities	(12,053,695)	(7,428,497)
Cash Flows from Investing Activities:		
Purchase of term deposits	(43,574,041)	(46,594,349)
Proceeds from maturity of term deposits	40,078,914	46,395,438
Proceeds from disposition of property, plant and equipment	–	775,000
Net cash provided by (used in) investing activities	(3,495,127)	576,089
Cash Flows from Financing Activities:		
Proceeds from private placement of common shares	51,000,003	–
Proceeds from exercise of stock options	921,850	1,081
Financing fees	(2,078,456)	–
Net cash provided by financing activities	49,843,397	1,081
Change in Cash and Cash Equivalents:		
Net increase (decrease) in cash and cash equivalents	34,294,575	(6,851,327)
Cash and cash equivalents - beginning of year	8,529,162	15,380,489
Cash and cash equivalents - end of year	$ 42,823,737	$ 8,529,162

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

Note 1. The Company and Significant Accounting Policies:

Gold Reserve Ltd. ("Gold Reserve," the "Company," "we," "us," or "our") has historically been engaged in the business of evaluating, acquiring, exploring and developing mining projects and was incorporated in 1998 under the laws of the Yukon Territory, Canada and continued to Alberta, Canada in September 2014. On September 30, 2024, the Company continued from the Province of Alberta to Bermuda. In connection with the continuance, the Company's name was changed from "Gold Reserve Inc." to "Gold Reserve Ltd." (See Note 12).

Gold Reserve Inc. was the successor issuer to Gold Reserve Corporation which was incorporated in 1956. The Company's primary activities include those related to corporate and legal activities associated with the collection of the unpaid balance of the Award (defined below, see Note 3) and matters related to the Siembra Minera project (the "Siembra Minera Project").

The U.S. and Canadian governments have imposed various sanctions (the "Sanctions") targeting the Bolivarian Republic of Venezuela ("Venezuela"). The Sanctions, in aggregate, prevent certain dealings with Venezuelan government or state-owned or controlled entities and prohibit directors, management and employees of the Company who are U.S. Persons from dealing with certain Venezuelan individuals or entering into certain transactions.

The Sanctions imposed by the U.S. government generally block all property of the government of Venezuela and prohibit directors, management and employees of the Company who are U.S. Persons (as defined by U.S. Sanction statutes) from dealing with the Venezuelan government and/or state-owned/controlled entities, entering into certain transactions or dealing with Specially Designated Nationals and target corruption in, among other identified sectors, the gold sector of the Venezuelan economy.

The Sanctions imposed by the Canadian government include asset freezes and prohibitions on dealings with certain named Venezuelan officials under the Special Economic Measures (Venezuela) Regulations of the *Special Economic Measures Act* and the *Justice for Victims of Corrupt Foreign Officials Regulations* of the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*.

The cumulative impact of the Sanctions continues to prohibit or restrict the Company, in certain ways, from working with Venezuelan government officials with respect to the Settlement Agreement (defined below) and/or payment of the remaining balance of the Award plus interest and /or pursuing remedies with respect to the Resolution (defined below) by the Venezuelan Ministry of Mines to revoke the mining rights in connection with the Siembra Minera Project.

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 and three Barbadian subsidiaries one of which was formed to hold our equity interest in Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera") which is beneficially owned 55% by a Venezuelan state-owned entity and 45% by Gold Reserve. Our investment in Siembra Minera is accounted for as an equity investment. 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.

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 cash holdings (See Note 4).

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 development costs under property, plant and equipment. Mineral property acquisition costs are capitalized and holding costs of such properties 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. Property, plant and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives, except for equipment not yet placed into use. 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, office equipment and leasehold improvements are depreciated using the straight-line method over five to ten years.

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 an equity incentive plan which provides for the grant of stock options to purchase 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 9 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 stock options, in addition to the fair value attributable to stock options granted, is credited to capital stock. Stock options granted under the plan 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. The Company classifies interest and penalties on underpayment of income tax as income tax expense.

Uncertain Tax Positions. We record uncertain tax positions based on a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold which requires that the Company determine if it is more likely than not that it will sustain the tax benefit taken or expected to be taken in the event of a dispute with taxing authorities. The second step, for those positions meeting the "more likely than not" threshold, is to recognize the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement with taxing authorities. Management periodically evaluates positions taken in tax returns in situations in which applicable tax regulation is subject to interpretation. The Company establishes provisions where appropriate on the basis of amounts expected to be received from or paid to tax authorities. (See Note 10)

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 Income (Loss) Per Share. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of Class A common shares outstanding during each period. Diluted net income per share reflects the potentially dilutive effects of outstanding stock options. In periods in which a loss is incurred, the effect of potential issuances of shares under stock options would be anti-dilutive, and therefore basic and diluted losses per share are the same in those periods.

Marketable Equity Securities. The Company's marketable equity securities are reported at fair value with changes in fair value included in the statement of operations.

Equity accounted investments. Investments in incorporated entities in which the Company has the ability to exercise significant influence over the investee are accounted for by the equity method.

Financial Instruments. Marketable equity securities are measured at fair value at each reporting date, with the change in value recognized in the statement of operations as a gain or loss. Cash and cash equivalents, term deposits, deposits, advances and receivables are accounted for at amortized cost which approximates fair value (See Notes 4 and 5). Accounts payable and contingent value rights are recorded at amortized cost which approximates fair value. The values of the financial instruments noted above are based on level one inputs.

Segment Information. We operate as a single operating and reportable segment: pursuing legal claims related to mineral properties. We were incorporated to engage in the business of acquiring, exploring and developing mining projects but have recently focused on pursuing legal claims as a result of the termination of our mining projects in Venezuela. Our Chief Operating Decision Maker ("CODM"), which is our Board of Directors, allocates resources and assesses performance based upon discrete financial information at the consolidated level.

Our CODM assesses performance and decides how to allocate resources based on available cash and term deposits, as reported on the Consolidated Balance Sheet. The amount of cash and term deposits available is used to guide decisions on how to invest in and pursue business opportunities. Our CODM also reviews total assets, as reported on the Consolidated Balance Sheets, and cash flows from operating, investing and financing activities, as reported in the Consolidated Statements of Cash Flows. Significant segment expenses include the costs and expenses presented in the Consolidated Statements of Operations.

Note 2. New Accounting Policies:

Recently issued accounting pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). This update was issued to improve the disclosures about a public entity's expenses and address requests from investors for more detailed information about the types of expenses included in commonly presented expense captions. This update is effective commencing with the annual period beginning after December 15, 2026. The Company is evaluating the impact of the adoption of this standard on its financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740). This update is intended to enhance the transparency and decision usefulness of income tax disclosures primarily through improvements related to rate reconciliation and income taxes paid information. This update is effective commencing with the annual period beginning after December 15, 2024 and interim periods commencing with the first quarter of 2026. The Company does not expect the adoption of this standard to have a material impact on its financial statements or disclosures.

Adopted in the year

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This update expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss and interim disclosures of a reportable segment's profit or loss and assets. The standard was effective for the Company's annual reporting for the year ended December 31, 2024, and subsequent interim periods. The adoption of this standard did not have a material impact on the Company's financial statements or disclosures.

Note 3. Enforcement of Arbitral Award:

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") to obtain compensation for the losses caused by the actions of Venezuela that terminated our previous mining project known as the "Brisas Project." On September 22, 2014, we were granted an Arbitral Award (the "Award") totaling $740.3 million plus post-Award interest.

In July 2016, we signed the Settlement Agreement, subsequently amended, whereby Venezuela agreed among other things to pay us a total of approximately $1.032 billion which is comprised of $792 million to satisfy the Award (including interest) and $240 million for the purchase of our mining data related to the Brisas Project (the "Mining Data") in a series of payments ending on or before June 15, 2019 (the "Settlement Agreement"). As agreed, the first $240 million received by Gold Reserve from Venezuela has been recognized as proceeds from the sale of the

Mining Data. Venezuela has been in breach of the Settlement Agreement since, at the latest, 2018. The Company is pursuing enforcement of the Award through legal proceedings in the United States and Portugal.

To date, the Company has received payments of approximately $254 million pursuant to the Settlement Agreement. Venezuela is in breach of the Settlement Agreement and the Company is pursuing enforcement of the Award in the United States and other jurisdictions (which includes collection efforts). The remaining unpaid amount due from Venezuela pursuant to the Award totals an estimated $1.14 billion (including interest) as of December 31, 2024. In relation to the unpaid amount due from Venezuela, the Company has not recognized an Award receivable or associated liabilities on its financial statements which would include taxes, bonus plan and contingent value right payments, described below, as management has not yet determined that payment from Venezuela is probable. While collection efforts continue, including legal proceedings in the United States and Portugal, the timing and amount of any funds collected under the Award, if any, is not yet probable as at December 31, 2024. This judgment was based on various factors including Venezuela's history of refusing to make payments on international arbitration awards and other legal judgments, the Sanctions imposed on Venezuela, the current economic and political instability in Venezuela and the history of non-payment by Venezuela under the terms of the Settlement Agreement. The Award receivable and any associated liabilities will be recognized when, in management's judgment, it is probable that payment from Venezuela will occur.

The interest rate provided for on any unpaid amounts pursuant to the Award (less legal costs and expenses) is specified as LIBOR plus 2%, compounded annually. With the phase out of LIBOR, the U.S. Congress enacted the Adjustable Interest Rate (LIBOR) Act to establish a process for replacing LIBOR in existing contracts. The U.S. Federal Reserve Board adopted a final rule that implements the Adjustable Interest Rate (LIBOR) Act by identifying benchmark rates based on the Secured Overnight Financing Rate (SOFR) that replaced LIBOR in certain financial contracts after June 30, 2023. Accordingly, effective July 1, 2023, the Company began calculating the interest due on the unpaid amount of the Award using a benchmark replacement rate based on SOFR plus two percent.

We have Contingent Value Rights ("CVRs") outstanding that entitle the holders to an aggregate of 5.466% of certain proceeds from Venezuela associated with the collection of the Award and/or sale of Mining Data or an enterprise sale, as such terms are defined in the CVRs (the "Proceeds"), less amounts for certain specified obligations (as defined in the CVR), as well as a bonus plan as described below. As of December 31, 2024, the total cumulative amount paid pursuant to the terms of the CVR from the sale of the Mining Data and collection of the Award was approximately $10 million.

We maintain a bonus plan (the "Bonus Plan") which is intended to compensate the participants, including executive officers, employees, directors and consultants, for their past and present contributions to the Company. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized less applicable taxes multiplied by 1.28% of the first $200 million and 6.4% thereafter. The bonus pool is determined substantially the same as Net Proceeds for the CVR. As of December 31, 2024, the total cumulative amount paid pursuant to the terms of the Bonus Plan from the sale of the Mining Data and collection of the Award was approximately $4.4 million.

Due to Sanctions and the uncertainty of transferring the remaining amounts due from Venezuela to bank accounts outside of Venezuela, management only considers those funds received by the Company into its North American bank accounts as funds available for purposes of the CVR and Bonus Plan cash distributions.

Following receipt, if any, of additional funds pursuant to the Award and after applicable payments to CVR holders and Bonus Plan participants, we expect to distribute to our shareholders a substantial majority of any remaining amounts, subject to applicable regulatory requirements and retaining sufficient reserves for operating expenses, contractual obligations, accounts payable and income taxes, and any obligations arising as a result of the collection of the remaining amount owed by Venezuela.

Note 4. Cash and Cash Equivalents:

	December 31, 2024	December 31, 2023
Bank deposits	$ 370,216	$ 455,057
Short term investments:		
Money market funds	29,500,744	2,392,402
U.S. Treasury bills	12,952,777	5,681,703
Total short term investments	42,453,521	8,074,105
Total cash and cash equivalents	$ 42,823,737	$ 8,529,162

The Company's cash and cash equivalents are predominantly held in U.S. banks and Canadian chartered banks. Short term investments include money market funds, certificates of deposit and U.S. treasury bills which mature in three months or less.

Note 5. Term Deposits:

	December 31, 2024	December 31, 2023
U.S. Treasury Bills	$ 29,900,100	$ 25,407,439
Certificates of deposit	4,271,841	3,953,776
	$ 34,171,941	$ 29,361,215

The Company has term deposits which are classified as held to maturity, carried at amortized cost which approximates fair value and have original maturities of greater than 3 months and less than 12 months. Term deposits consist of U.S. treasury bills purchased at a discount and amortized to face value over their respective terms. The Company recorded non-cash interest income of $1,315,599 and $1,663,116 for the years ended December 31, 2024 and 2023, respectively, related to the amortization of discount on term deposits.

Note 6. Marketable Securities:

	December 31, 2024	December 31, 2023
Equity securities		
Fair value and carrying value at beginning of year	$ 1,175,892	$ 98,053
Increase in fair value	248,569	1,077,839
Fair value and carrying value at balance sheet date	$ 1,424,461	$ 1,175,892

Marketable equity securities are classified as trading securities and accounted for at fair value, based on quoted market prices with unrealized gains or losses recorded within “Income (Loss)" in the Consolidated Statements of Operations.

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 fair values of the Company's marketable equity securities as at the balance sheet date are based on Level 1 inputs.

Note 7. Property, Plant and Equipment:

	Cost	Accumulated Depreciation	Net
December 31, 2024			
Furniture and office equipment	$ 328,345	$ (313,420)	$ 14,925
Leasehold improvements	29,390	(29,390)	–
Mineral property	350,000	–	350,000
	$ 707,735	$ (342,810)	$ 364,925

	Cost	Accumulated Depreciation	Net
December 31, 2023			
Furniture and office equipment	$ 423,813	$ (389,423)	$ 34,390
Transportation equipment	326,788	(326,788)	–
Leasehold improvements	29,390	(29,390)	–
Mineral property	350,000	–	350,000
	$ 1,129,991	$ (745,601)	$ 384,390

We evaluate our equipment and mineral property to determine whether events or changes in circumstances have occurred that may indicate that the carrying amount may not be recoverable. During 2023, the Company recorded an impairment charge of approximately $0.2 million to reduce the carrying value of assets held for sale to their estimated fair value less costs to sell. During the years ended December 31, 2024 and 2023, the Company recorded depreciation expense of $14,695 and $63,012, respectively.

Note 8. 401(k) Plan:

The 401(k) Plan, formerly entitled the KSOP Plan, was originally adopted in 1990 and was most recently restated effective January 1, 2021. The purpose of the 401(k) Plan is to offer retirement benefits to eligible employees of the Company. The 401(k) Plan provides for a salary deferral, a non-elective contribution of 3% of each eligible Participant's annual compensation and discretionary contributions. Allocation of Class A common shares or cash to participants' accounts, subject to certain limitations, is at the discretion of the Board. Cash contributions for the plan years 2024 and 2023 were approximately $72,000 and $103,000, respectively.

Note 9. Stock Based Compensation Plans:

Equity Incentive Plan

In May 2024, the Company's Board of Directors approved an amendment to the equity incentive plan whereby, among other things, the number of Class A common shares of the Company available to be granted under the Plan would be increased to 14,932,307. The amendment was approved December 12, 2024, by the shareholders of the Company. As of December 31, 2024, there were 2,677,415 options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSX Venture Exchange and as may be determined by the Board or a committee of the Board established pursuant to the equity incentive plan.

Stock option transactions for the years ended December 31, 2024 and 2023 are as follows:

	2024		2023	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding - beginning of period	7,722,392	$ 2.04	7,578,393	$ 2.03
Options granted	4,875,000	5.04	145,000	2.52
Options exercised	(422,500)	2.18	(1,001)	1.08
Options cancelled	(222,500)	2.80	-	-
Options outstanding - end of period	11,952,392	$ 3.24	7,722,392	$ 2.04

The following table relates to stock options at December 31, 2024:

	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)
$0.99 - $1.08	243,999	$1.04	$ 130,999	7.83	243,999	$1.04	$ 130,999	7.83
$1.60 - $1.60	2,863,750	$1.60	-	6.76	2,863,750	$1.60	-	6.76
$1.61 - $1.93	870,000	$1.70	-	7.36	870,000	$1.70	-	7.36
$2.35 - $2.52	4,389,643	$2.39	-	2.95	3,889,643	$2.39	-	2.72
$3.15 - $3.28	535,000	$3.22	-	4.54	535,000	$3.22	-	4.54
$4.48 - $7.00	3,050,000	$6.63	-	4.42	300,000	$4.91	-	5.19
$0.99 - $7.00	11,952,392	$3.24	$ 130,999	4.73	8,702,392	$2.16	$ 130,999	4.85

The Company granted 4,875,000 and 145,000 stock options, during the years ended December 31, 2024 and 2023, respectively. The Company recorded non-cash stock option compensation expense during the years ended December 31, 2024 and 2023 of $1,869,410 and $100,699, respectively for stock options granted in the current and prior periods. The weighted average grant date fair value of unvested options was $0.21 and Nil as of December 31, 2024 and 2023, respectively. The remaining unamortized stock option compensation expense as of December 31, 2024 was $407,845 and will be expensed in 2025.

The weighted average fair value of the options granted in 2024 and 2023 was calculated as $0.47 and $0.70, respectively. The fair value of options granted was determined using the Black-Scholes model based on the following weighted average assumptions:

	2024	2023
Risk free interest rate	4.65%	4.64%
Expected term	1.9 years	1.5 years
Expected volatility	51%	52%
Dividend yield	Nil	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 our common stock over a period equal to the expected term of the option.

Change of Control Agreements

The Company maintains change of control agreements with an officer and a consultant. A Change of Control is generally defined as one or more of the following: the acquisition by any individual, entity or group, of beneficial ownership of 25 percent of the voting power of the Company's 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; 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 December 31, 2024, the amount payable to participants under the change of control agreements, in the event of a Change of Control, was approximately $1.7 million, which has not been recognized herein as no event of a change of control has been triggered as of the date of this report.

Senior Management Employment Agreements

In the fourth quarter of 2021, the Company and certain members of senior management entered into employment agreements as part of a three-year cost reduction program which terminated in the fourth quarter of 2024. The program provided for the reduction of cash compensation and the payment of an incentive bonus upon the achievement of specific objectives related to the development of the Company's business and prospects in Venezuela within certain time frames. The program also provided for severance payments upon the occurrence of certain events resulting in termination of employment. As of December 31, 2024, all of the individuals who were parties to these agreements have retired. As of December 31, 2024 and 2023, the Company had accrued liabilities for severance payments of approximately $1.0 million and $0.7 million, respectively. These amounts are included in general and administrative expense for the years ended December 31, 2024 and 2023.

Note 10. Income Tax:

Effective with the September 30, 2024 continuance to Bermuda, the corporate income tax rate for the Bermuda parent company was reduced to zero. Income tax benefit (expense) for the years ended December 31, 2024 and 2023 differs from the amount that would result from applying Bermuda tax rates (in 2024) and Canadian tax rates (in 2023) to net loss before taxes. These differences result from the items noted below:

	2024		2023	
	Amount	%	Amount	%
Income tax benefit based on statutory tax rates	$ -	-	$ 1,330,027	25
Difference due to:				
Different tax rates in foreign jurisdictions	2,649,839	19	(188,093)	(3)
Non-deductible expenses	(528,688)	(4)	(21,848)	(0)
Write-down of property, plant and equipment	-	-	(48,438)	(1)
Derecognition of previously recognized tax benefits	-	-	(17,798,883)	(335)
Discontinuance from Canada	(14,087,523)	(99)	-	-
Change in valuation allowance and other	41,049,361	288	(1,071,648)	(21)
Derecognition of Canadian NOLs	(29,082,989)	(204)	-	-
Interest on income tax payable	(911,961)	(6)	-	-
Income tax expense	$ (911,961)	(6)	$(17,798,883)	(335)

The Company recorded income tax expense of $911,961 and $17,798,883 for the years ended December 31, 2024 and 2023. Income tax expense in 2024 was a result of interest related to the derecognition of previously recognized tax benefits as outlined below.

The 2017 through 2020 tax filings of the Company's U.S. subsidiary are under examination by the Internal Revenue Service (IRS). In June 2024, the Company received a thirty-day letter and accompanying revenue agent's report disallowing the worthless stock deductions (related to investments in the Brisas project) taken by the Company's U.S. subsidiary for the 2017 tax year and proposing to tax income on or related to the Award that may be received by the Company in the future. The conclusions in the revenue agent's report are consistent with the Notices of Proposed Adjustments (NOPA) issued by the IRS in 2023. The Company disagrees with the IRS's position and filed a brief in August 2024 protesting the IRS's conclusions and requesting an appeal. In October 2024, the IRS filed a rebuttal to the Company's protest brief and the matter was sent to the IRS Independent Office of Appeals.

ASC 740-10-25 requires that the Company recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. The tax benefits of the worthless stock deductions referred to above were previously recorded in the Company's financial statements on the basis that it was more likely than not that the tax filing position would be sustained. As of each balance sheet date, the Company reassesses the tax position and considers any changes in facts or circumstances that indicate factors underlying the sustainability assertion have changed and whether the amount of the recognized tax benefit is still appropriate.

In 2023, the Company determined it appropriate to derecognize the tax benefit of the worthless stock deductions given the increased uncertainty the IRS's position had raised and in consideration of the ongoing CRA audit. Accordingly, the Company recognized approximately $17.8 million in income tax expense (including interest of $1.8 million), as a result of the reversal of an $8.1 million income tax receivable and the recognition of an income tax payable of $9.7 million (including interest of $1.8 million) during the year ended December 31, 2023. As of December 31, 2024, the Company has a gross uncertain tax position of $16.0 million plus accrued interest of $2.7 million in relation to this matter.

The Company also recorded a valuation allowance to reflect the estimated amount of the deferred tax assets which may not be realized, principally due to the uncertainty of utilization of net operating losses and other carry forwards prior to expiration. The valuation allowance for deferred tax assets may be reduced if our estimate of future taxable income changes.

Canada Revenue Agency (CRA) is examining the Company's 2018 and 2019 international transactions and in November 2024, the Company received a letter (the "Proposal Letter") from the CRA advising that, subject to submissions by the Company, the CRA proposes to reassess GRI to include in its income certain amounts, including amounts in respect of the Award and/or the Settlement Agreement. The Proposal Letter proposes multiple alternative bases of assessment, in respect of the 2014, 2016, 2017 and 2018 taxation years of GRI. The maximum potential income inclusion amounts as set out in the Proposal Letter are the full amount of the 2014 Arbitral Award of $740.3 million, the Mining Data sales proceeds of $240 million, a Cdn $50.1 million 2017 shareholder benefit and a Cdn $163.2 million 2018 shareholder benefit (exclusive of interest); however these amounts do not take into account any deductions or adjustments that may be available to the Company to reduce the amount of the proposed income inclusions.

On January 31, 2025, the Company responded to the Proposal Letter, strongly disputing all proposed adjustments. Failing a resolution of the matter, the CRA may proceed to issue a notice of reassessment. If the CRA reassesses the Company as described in the Proposal Letter, the Company will have 90 days from the issuance of the notice of reassessment to prepare and file a notice of objection which would be reviewed by CRA's Appeals Division. At that time, the Company would be required to pay 50% of the assessed tax liability and interest in order to preclude CRA from initiating collections action. This payment, if made, would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern. If the CRA is not in agreement with the Company's notice of objection, within the prescribed period, the Company would have the right to appeal to the Tax Court of Canada. If a notice of reassessment is received, the Company currently estimates that the ultimate resolution of the matter may take two to four years. If the Company is ultimately successful in defending its position, then any taxes, interest and penalties paid to CRA would be refunded plus interest. If CRA is successful, then any taxes payable plus interest and any penalties would have to be remitted. This would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern.

The Company has an uncertain tax position as it relates to the tax impact of the potential income inclusions outlined in the Proposal Letter. As the Proposal Letter consists of multiple different bases of assessments which could result in significantly different amounts of tax due, the potential tax impact cannot reasonably be estimated at this time. The Company has not recorded any amount related to this matter in its financial statements as of and for the year ended December 31, 2024.

Determining our tax liabilities requires the interpretation of complex tax regulations and significant judgment by management. There is no assurance that the tax examinations to which we are currently subject or any appeals or other resolutions of the adjustments proposed by the IRS and CRA will result in favorable outcomes.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits, exclusive of interest and penalties, is as follows:

	December 31, 2024	December 31, 2023
Total amount of gross unrecognized tax benefits at beginning of year	$ 16,046,894	$ -
Addition based on tax positions related to the current year	-	-
Addition for tax positions of prior years	-	16,046,894
Reductions for tax positions of prior years	-	-
Settlements	-	-
Total amount of gross unrecognized tax benefits at end of year	$ 16,046,894	$ 16,046,894

At December 31, 2024 and 2023, the amount of unrecognized tax benefits, inclusive of interest that, if recognized, would impact the Company's effective tax rate were $18,710,844 and $17,798,883, respectively. The amount of unrecognized tax benefits does not include any penalties that may be assessed.

The components of the deferred income tax assets and liabilities as of December 31, 2024 and 2023 were as follows:

	December 31,	
	2024	2023
Deferred income tax assets		
Net operating loss carry forwards	$ 1,368,115	$ 43,223,586
Property, Plant and Equipment	(2,279)	(3,410)
Other	133,393	1,615,179
	1,499,229	44,835,355
Valuation allowance	(1,209,958)	(44,598,283)
	$ 289,271	$ 237,072
Deferred income tax liabilities		
Other	(289,271)	(237,072)
Net deferred income tax asset	$ -	$ -

At December 31, 2024, the Company's U.S. subsidiary had a $6.5 million U.S. tax loss carry forward, which can be carried forward indefinitely, but is limited to 80% of taxable income.

Note 11. Common Shares:

In June 2024, the Company closed a private placement of shares for gross proceeds of $15.0 million. Pursuant to the private placement, the Company issued 4,285,715 Class A common shares at a price per share of $3.50. In connection with the offering, the Company incurred costs of approximately $0.8 million for net proceeds of approximately $14.2 million.

In July 2024, the Company closed a private placement of shares for gross proceeds of $36.0 million. Pursuant to the private placement, the Company issued 8,780,488 Class A common shares at a price per share of $4.10. In connection with the offering, the Company incurred costs of approximately $1.4 million for net proceeds of approximately $34.6 million.

The Company is evaluating and considering engaging in a potential transaction in relation to the sale of the common shares of PDV Holdings, Inc., (PDVH) the indirect parent company of CITGO Petroleum Corp, pursuant to the sales and bidding procedures managed by the Special Master appointed by the U.S. District Court for the District of Delaware. The Company currently does not have any obligations or commitments with respect to any potential transaction.

The net proceeds from the 2024 private placements, as well as additional cash on hand, provide the Company with funds to be used to assist in funding certain expenses in connection with any Potential Transaction, including any cash deposit required with respect thereto; however, there can be no assurance that any Potential Transaction will be consummated and, in such case, the net proceeds of the private placement may also be used for working capital and general corporate purposes.

Note 12. Continuance to Bermuda:

In September 2024, the Company's shareholders approved a special resolution permitting the Company to effect a continuance from the Province of Alberta to Bermuda. On September 30, 2024, the continuance was completed through a plan of arrangement pursuant to Section 193 of the Business Corporations Act (Alberta). In connection with the continuance, the Company's name was changed from "Gold Reserve Inc." to "Gold Reserve Ltd.".

Prior to the continuance, the Company's authorized share capital was an unlimited number of common shares without par value. The Companies Act (Bermuda) requires that the amount of capital with which the company is registered be divided into shares of a certain fixed amount (nominal or par value). Gold Reserve Ltd. was registered with the Bermuda Registrar of Companies with an authorized share capital comprising 500,000,000 common shares, each with a par value of $0.01. The additional paid-in capital was left disaggregated and split between Common Share Premium, Contributed Surplus and Stock Options as the Company determined this was a better presentation to the users of its financial statements. As a result, the balances of certain capital accounts were reclassified as follows:

	Common Shares		
	Number	Amount	Premium
Balance, prior to continuance	113,037,414	$ 352,855,434	$ –
Reclassification	–	(351,725,060)	351,725,060
Balance, post continuance	113,037,414	$ 1,130,374	$ 351,725,060

CORPORATE INFORMATION

Officers and Directors

Robert A. Cohen
Chairman and Director

Paul C. Rivett
Executive Vice-Chairman, Chief Executive Officer and Director

David P. Onzay
Chief Financial Officer

James Michael Johnston
Director

Yves M. Gagnon
Director

James P. Tunkey
Director

David A. Knight
Director

Jonathan P. Howes
Director

William C. DeSilva, Jr
Director

George E. Thomas, Jr
Director

Share Information

Common Shares Issued September 30, 2025

Common Shares - 122,714,914

Purchase Options - 11,617,392

Securities Listing/Quote

Canada– The TSX Venture Exchange:
GRZ.V

United States– OTCQX:
GDRZF

Bermuda-Bermuda Stock Exchange
GRZ.BH

Transfer Agent

Computershare Trust Company, Inc.
Toronto, Ontario Canada
Greenwood Village, CO USA

Office

A.S. Cooper Building, 7th Floor
26 Reid Street
Hamilton, HM 11 Bermuda
Ph: (800) 625-9550

Annual Meeting

The 2025 Annual Meeting will be held at 9:00 a.m. Atlantic Standard Time on November 13, 2025

A.S. Cooper Building, 7th Floor
26 Reid Street
Hamilton HM 11 Bermuda

Auditor

CBIZ CPAs P.C.
Houston, Texas, USA

Counsel

Carey Olsen
Hamilton, Bermuda


GOLD RESERVE