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 August 15, 2025 is intended to assist in understanding and assessing our results of operations and financial condition and should be read in conjunction with the June 30, 2025 unaudited consolidated financial statements and related notes and the audited consolidated financial statements of the Company, as at and for the year ended December 31, 2024, 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 6-month average rate of exchange for one Canadian dollar, expressed in U.S. dollars, for each of the six months ended June 30, 2025 and 2024 equaled 0.7096 and 0.7362 respectively, and the exchange rate at June 30, 2025 and December 31, 2024 equaled 0.7342 and 0.6944, respectively.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

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 information” (within the meaning of applicable Canadian provincial and territorial securities laws) or “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) (collectively referred to herein as “forward-looking information”) that may state the Company’s and its management’s intentions, hopes, beliefs, expectations or predictions for the future.

Forward-looking information is 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 information involves 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 information speaks only as of the date made, and any such forward-looking information is 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 information.

Forward-looking information involves 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 information. 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 information, although not all forward-looking information contains these words. Any such forward-looking information is 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 information, 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 (“CITPET,” and, collectively with PDVH and each of their subsidiaries, “CITGO”), 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 Dalinar Energy Corporation, a wholly owned subsidiary of the Company (“Dalinar”) or any other buyer recommended by the Special Master (the “Buyer”) or approved by the Court; an objection made by 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 the Stock Purchase Agreement entered into by Dalinar and the Special Master with respect to the Potential Transaction (the "Dalinar Purchase Agreement") or any other proposed executed stock purchase agreement (each, a "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, all of which factors may be beyond the Company's control; 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, including the Potential Transaction that is the subject of the Dalinar Purchase Agreement (the "Dalinar Transaction") 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 any party to the Dalinar Purchase Agreement to obtain any required approvals for, or satisfy other conditions to effect, any transaction resulting from any Potential Transaction; that the Buyer may fail 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 (including, without limitation, changing regulatory, economic and political conditions); 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 (as defined below), 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. ("PDVSA"), 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; that any objection to the Special Master's Final Recommendation of the Dalinar Energy bid is accepted by the Court or on appeal; that any other party, including the 2020 bondholders, is able to obtain a court order that enjoins or otherwise interferes with the Closing of the Potential Transaction or the Proposed Sale Transaction;

- The Company may not be able to verify the accuracy, reliability or completeness of all information it has received regarding CITGO, and the Purchase Agreement may not adequately compensate the Company for losses attributable to breaches by the Special Master of any representations or warranties in the Purchase Agreement;

- Consummation of the Proposed Sale Transaction may trigger change of control or other provisions in certain agreements to which CITGO is a party. If consents or waivers under such agreements are not obtained or granted, this may have an adverse effect on the Company;

- Uncertainty about the effects of the Proposed Sale Transaction, including effects on employees, partners, contractors, regulators, suppliers and customers, may have a material adverse effect on the business, results of operations and financial condition of CITGO and the Company;
- CITGO operates in a high-risk industry, and there are risks inherent in CITGO's refining activities, including from the pricing environment for commodities or the occurrence of operational or environmental hazards, which could adversely affect the business, results of operations and financial condition of CITGO and the Company;
- Material limitations to CITGO's and the Company's access to capital, a failure in financial risk management, government fiscal, monetary and regulatory policy and variability in interest and exchange rates could all adversely affect business, results of operations and financial condition of CITGO and the Company;
- CITGO's operations are subject to extensive governmental oversight and regulation, particularly with regard to the environment and occupational health and safety, that may change in ways that adversely affect the business, results of operations and financial condition of the Company;
- CITGO's indebtedness could adversely affect its business, financial condition and results of operations, and, accordingly, the Company may not be able to realize the anticipated benefits of the Proposed Sale Transaction;
- The Company has incurred and expects to incur significant costs in connection with the Proposed Sale Transaction and, if the Potential Transaction is consummated, there are factors that are beyond the Company's control that could adversely affect the Company's business, financial condition and results of operations, including, without limitation, any litigation, investigation or proceeding brought against CITGO, Dalinar or the Company in connection with or following the consummation of the Proposed Sale Transaction;
- Dalinar may be unable to successfully integrate the business of CITGO and may fail to realize all of the anticipated benefits of the Potential Transaction or those benefits that may take longer to realize than expected;
- Consummation of the Dalinar Transaction will result in the extinguishment of certain legal claims in accordance with the terms of the Dalinar Purchase Agreement and, if the Proposed Sale Transaction is approved by the Court, the Company's only opportunity to recoup money that it would otherwise be entitled to under such extinguished legal claims would be in connection with CITGO's ongoing business, results of operations and financial condition, subject to, without limitation, the capital and corporate governance structure of CITGO at and following closing of the Dalinar Transaction, fees and expenses associated with the Dalinar Transaction, CITGO's outstanding debts and obligations, including with respect to financing, if any, obtained in connection with the Dalinar Transaction and the PDVSA 2020 Notes. Accordingly, the Company may be unable to realize the expected benefits of the Dalinar Transaction;
- Even if the Proposed Sale Transaction is approved by the Court, we can provide no assurance that new lawsuits or other legal challenges (e.g., appeal of the Court's approval of the Proposed Sale Transaction) will not emerge in connection with the Court's approval or the Potential Transaction. Similarly, we can provide no assurance that if such new lawsuits or other legal challenges emerge in connection with the Court's approval or the Potential Transaction, that we will be successful in defending any such lawsuit or challenge, including seeking to have any court or regulatory order vacated, lifted, reversed or overturned (whether temporarily, preliminarily or permanently). An adverse ruling in any such lawsuit or challenge may delay or prevent the Potential Transaction from being consummated;
- Even if the Proposed Sale Transaction is approved by the Court, there can be no assurance that any future changes in geopolitical condition will not result in the Potential Transaction from being enjoined, prohibited or prevented from consummation by any order, judgment, injunction, decree, ruling, writ, stipulation, determination or other applicable law. Furthermore, even if the Proposed Sale Transaction is approved by the Court and the Potential Transaction is consummated, changes in U.S. and international rules and regulations, as well as changes in geopolitical conditions, may materially and adversely affect CITGO's cash flows, results of operations and financial condition;
- The completion of the Dalinar Transaction is subject to receipt of consents, orders and approvals from judicial, regulatory and governmental entities, which may delay the closing of the transaction or prevent the closing of the transaction entirely;

- The completion of the Dalinar Transaction is subject to receipt of financing and agreement with respect to the capital and governance structure of Dalinar and CITGO, which may delay the closing of the transaction or prevent the closing of the transaction entirely;
- The completion of the Dalinar Transaction is subject to risks and uncertainties surrounding conditions that may be imposed by regulatory or governmental entities which may reduce the anticipated benefits of the transaction or could prevent the closing of the Dalinar Transaction entirely;
- Even if the Dalinar Transaction is approved by the Court, if the conditions in the Dalinar Purchase Agreement are not met or satisfied, the Dalinar Transaction may not be consummated;
- If the Dalinar Transaction is not approved by the Court or is not completed, the Company's business, financial condition and results of operations may be adversely affected and, without realizing any of the potential benefits of the Dalinar Transaction, the Company will be subject to a number of risks, including without limitation: the trading price of the Company's securities may change, to the extent that the current trading price of the Company's securities reflects an assumption that the Dalinar Transaction will be consummated; the trading price of the Company's securities may decline, to the extent that the current market price reflects an assumption that the Dalinar Transaction will be approved by the Court; the Company and/or Dalinar will be obligated to pay (or cause to be paid) certain expense reimbursement fees; the Company has incurred and expects to continue to incur significant expenses related to the Potential Transaction – such expenses include, without limitation, fees with respect to commitments from financing sources, legal, accounting and other professional fees, most of which must be paid even if the Dalinar Transaction is not consummated. Under certain circumstances as set forth in the Dalinar Agreement, Dalinar may be entitled to reimbursement of expenses upon termination of the Dalinar Agreement. However, such reimbursement will likely not cover actual expenses incurred by the Company and Dalinar in connection with the Dalinar Transaction;
- Litigation relating to the Proposed Sale Transaction could require the Company and/or Dalinar to incur significant costs and responding to and defending such actions could divert management's attention and resources and could materially harm the Company's and/or Dalinar's business, operating results and financial condition;
- The Dalinar Purchase Agreement, if it is not terminated in accordance with the provisions thereof, contains a right to specific performance to prevent breaches and to enforce the terms and provisions of the Dalinar Purchase Agreement. Accordingly, if the Dalinar Transaction is approved by the Court, Dalinar may be unable to terminate the Purchase Agreement;
- 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, (b) the impact of the closing of the Dalinar Transaction, and (c) 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 $1.19 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 (including with respect to any deposit required in relation to any Potential Transaction) 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 $1.8 million as of June 30, 2025, 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 information, 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 information speaks 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 information, are more fully described in the Company's latest Annual 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 information. All subsequent written and oral forward-looking information 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 information 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 June 30, 2025. Our common shares are listed for trading on the TSX Venture Exchange (the "TSXV") and quoted on the OTCQX under the symbol GRZ and GDRZF, respectively. Effective August 4, 2025, the Company was listed and began trading on the Bermuda stock Exchange under the symbol GRZ.BH.

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 number is 800.625.9550. 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

In June 2025, the Company submitted a topping bid for the purchase of the 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 (Delaware Proceedings). In July 2025, the Company's bid was selected by the Special Master as the final recommended bid. The hearing to sell the shares of PDVH, previously scheduled to commence August 18, 2025, was adjourned to an as-yet unspecified future date. Further information about the Delaware Proceedings is described below in the section entitled, "Legal Matters".

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 $1.19 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 ICSID of the World Bank in Washington, D.C. ICSID registered the Company’s case and confirmed that the Tribunal for the arbitration shall consist of three arbitrators, one arbitrator appointed by each party and the third, who shall be the President of the Tribunal, appointed by agreement of the parties.

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 made 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, 2025; (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.

In May and June 2025, the Court issued orders which further extended the Topping Period to June 18, 2025 and the deadline for the Special Master to submit his final recommendation to July 2, 2025. The Court also revised the schedule for briefing and discovery deadlines and rescheduled the commencement of the Sale Hearing to August 18, 2025.

On June 3, 2025, the Company submitted a topping bid through its subsidiary, Dalinar Energy, to be selected as the final recommended bid for the purchase of the shares of PDVH. Dalinar Energy's bid was supported by a consortium that, as with its prior stalking horse bid, included judgment creditors senior to the Company in the Court's priority waterfall, including Rusoro Mining Ltd., Koch Minerals Sarl and Koch Nitrogen International Sarl. Dalinar Energy's bid relied on a combination of equity and debt financing. The bid was supported by a lending consortium that included three leading financial institutions, which fully supported the bid by providing final debt commitment papers indicating 100% commitment. On June 18, 2025 and June 25, 2025, the Company announced that it had submitted further revised bids.

On July 3, 2025 the Company announced that its subsidiary, Dalinar Energy, was selected as the final recommended bidder for the purchase of the shares of PDVH. Dalinar Energy's bid had a purchase price of $7.382 billion. Subsequently, certain parties filed objections to the selection of Dalianr energy as the final recommended bidder. On August 7, 2025 the Company and other parties responded to these objections. On August 8, 2025, the Company announced that the Special Master filed a notice of an unsolicited competing proposal to purchase the shares of PDVH. The Company responded to this notice on August 11, 2025.

On August 14, 2025, the Court issued an order in which it adjourned the start of the Sale Hearing from August 18, 2025, to an as-yet unspecified future date. The Court also requested further briefing from the parties, and scheduled an in-person hearing on August 18, 2025, on this and related issues.

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. The arbitral tribunal has concluded the evidentiary phase of the proceedings and a final decision is pending.

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. On July 9, 2025, Portugal's Supreme Court upheld the Court of Appeal decision recognizing the Company's Award against Venezuela and rejecting the state's sovereign immunity and public policy defenses.

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 June 30, 2025, 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 June 30, 2025, 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 common shares as a return of capital (the "Return of Capital"). The Return of Capital was completed pursuant to a plan of arrangement under the Business Corporations Act (Alberta). Under the terms of the plan of arrangement, on the sixth anniversary of the effective date of the Return of Capital, any Shareholder that had not claimed its portion of the cash distribution amount ceased to have any rights thereto and any such unclaimed portion of the cash distribution would be surrendered to the Company. The sixth anniversary occurred in June 2025 and unclaimed funds of approximately $0.2 million will be returned to the Company.

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 and 2025, 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, cash deposit requirements related to any Potential Transaction (as defined herein) 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.

Delaware Proceedings

In June 2025, the Company submitted a topping bid for the purchase of the 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. In July 2025, the Company's bid was selected by the Special Master as the final recommended bid. The hearing to sell the shares of PDVH, previously scheduled to commence August 18, 2025, was adjourned to an as-yet unspecified future date. The Court also requested further briefing from the parties, and scheduled an in-person hearing on August 18, 2025, on this and related issues. Further information about the Delaware Proceedings is described above in the section entitled, "Legal Matters".

Subsequent to the sale hearing, if an order is issued to sell the PDVH shares to the Company, the Company will be required to make a $50 million deposit toward the purchase. The deposit will be held in escrow pending the closing of the sale.

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 with respect to the worthless stock deduction 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 ("IRS Appeals"). In July 2025, the Company had its opening conference with IRS Appeals. At the conclusion of the conference, IRS Appeals agreed to allow 67% of the Company's worthless stock deduction. Such agreement is preliminary as it is subject to additional review and approval prior to ultimate resolution of the matter. The Company also disagrees with the IRS's position proposing to tax income on or related to the Award and filed a Competent Authority submission with the US competent authority in July 2025, regarding potential double taxation related to the IRS and CRA proposed taxation of the same amounts.

IAS 12 requires that the Company recognize a benefit relating to a tax loss as an asset in the period in which the tax loss occurs because it is probable that the benefit will flow to the entity and the benefit can be reliably measured. 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 probable that the tax filing position could be reliably measured. 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 appropriate period and measurability 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. The Company continues to reassess this tax position in consideration of new facts and information including the outcome of the opening conference with IRS Appeals. During the six months ended June 30, 2025, no adjustments were made to the gross uncertain tax position. As of June 30, 2025, the Company has a gross uncertain tax position of $16.0 million plus accrued interest of $3.2 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 CRA issued a request for additional information and documentation which the Company responded to in May 2025. 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 June 30, 2025, we had cash and cash equivalents of approximately $51.9 million which represents an increase from December 31, 2024 of approximately $9.1 million. The net increase was primarily due to cash provided by investing activities partially offset by cash used by operating activities as more fully described below.

	2025	Change	2024
Cash and cash equivalents	$ 51,882,947	$ 9,059,210	$ 42,823,737

As of June 30, 2025, we had financial resources including cash, cash equivalents, term deposits and marketable securities totaling approximately $68.7 million (predominantly held in U.S. and Bermuda banks and financial institutions). In terms of financial obligations, the Company has current liabilities consisting of income tax payable, accounts payable, accrued expenses and lease liabilities of approximately $17.1 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, 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 three months ended June 30, 2025 and 2024 was approximately $7.2 million and $3.1 million, respectively. Cash flow used in operating activities for the six months ended June 30, 2025 and 2024 was approximately $10.7 million and $5.3 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 three months ended June 30, 2025 increased from the prior comparable period 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 here in. Cash flow used in operating activities during the six months ended June 30, 2025 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, and severance payments. The elevated costs of enforcement of the Arbitral Award have continued into the third quarter of 2025.

Investing Activities

	Three Months Ended June 30, 2025	Three Months Ended June 30, Change	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, Change	Six Months Ended June 30, 2024
Purchase of property, plant and equipment	$ –	$ –	$ –	$ (1,344)	$ (1,344)	$ –
Purchase of property, plant and equipment – ROU asset	(105,000)	(105,000)	–	(105,000)	(105,000)	–
Proceeds from disposition of property, plant and equipment	3,893	3,893	–	3,893	3,893	–
Purchase of term deposits	–	5,073,416	(5,073,416)	(20,567,175)	(9,258,452)	(11,308,723)
Proceeds from maturity of term deposits	18,237,612	(3,405,214)	21,642,826	40,397,379	10,205,378	30,192,001
	$ 18,136,505	$ 1,567,095	$ 16,569,410	$ 19,727,753	$ 844,475	$ 18,883,278

Cash flows provided by investing activities increased during the six months ended June 30, 2025 primarily due to an increase in the net purchases and maturities of term deposits.

Financing Activities

	Three Months Ended June 30, 2025	Three Months Ended June 30, Change	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, Change	Six Months Ended June 30, 2024
Proceeds from private placement of common shares	$ –	$ (15,000,002)	$ 15,000,002	$ –	$ (15,000,002)	$ 15,000,002
Proceeds from exercise of stock options	–	(64,350)	64,350	–	(256,350)	256,350
Financing fees	–	812,761	(812,761)	–	812,761	(812.761)
	$ –	$ (14,251,591)	$ (14,251,591)	$ –	$ (14,443,591)	$ 14,443,591

Cash flows provided by financing activities decreased during the three and six months ended June 30, 2025 due to a decrease in proceeds from private placement of common shares and the exercise of stock options.

Contractual Obligations

As described above and in Note 5 to the interim 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 an officer and a consultant as described in Note 12 to the interim consolidated financial statements. As of June 30, 2025, the amount payable to participants under the change of control agreements, in the event of a Change of Control, was approximately $1.8 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, the Company had accrued a liability for a severance payment of approximately $1.0 million. This amount was included in general and administrative expense for the year ended December 31, 2024 and was paid during the first quarter of 2025. 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. As of June 30, 2025, the remaining fees payable under these consulting agreements total $289,463 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 $290,000 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 expected 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 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 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.

Subsequent to the second quarter of 2025, the Company closed a private placement of shares for gross proceeds of $30.0 million. Pursuant to the private placement, the Company issued 9,677,500 common shares at a price per share of $3.10. 3,774,000 of the shares were purchased by related parties for $11,699,400. In connection with the offering, the Company incurred costs of approximately $1.4 million for net proceeds of approximately $28.6 million.

The net proceeds from the 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 a Potential Transaction in relation to the sale of the common shares of PDVH, 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 placements 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 was 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.

Results of Operations

Summary

Consolidated income, expenses, net loss before income tax expense and net loss for the three and six months ended June 30, 2025 and 2024 were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	Change	2024	2025	Change	2024
Income (loss)	$ 1,140,207	$ 396,454	$ 743,753	$ 1,998,091	$ (138,650)	$ 2,136,741
Expenses	(4,912,398)	(209,293)	(4,703,105)	(14,168,728)	(6,872,651)	(7,296,077)
Net loss before income tax expense	$ (3,772,191)	$ 187,161	$ (3,959,352)	$ (12,170,637)	$ (7,011,301)	$ (5,159,336)
Income tax expense	(245,711)	(46,749)	(198,962)	(483,374)	(89,369)	(394,005)
Net loss and comprehensive loss for the year	$ (4,017,902)	$ 140,412	$ (4,158,314)	$ (12,654,011)	$ (7,100,670)	$ (5,553,341)

Income (Loss)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	Change	2024	2025	Change	2024
Interest income	$ 731,477	$ 253,077	$ 478,400	$ 1,540,762	$ 590,412	$ 950,350
Unrealized gain on equity securities	420,139	132,145	287,994	474,311	(744,459)	1,218,770
Foreign currency loss	(11,409)	11,232	(22,641)	(16,982)	15,397	(32,379)
	$ 1,140,207	$ 396,454	$ 743,753	$ 1,998,091	$ (138,650)	$ 2,136,741

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 six months ended June 30, 2025, income decreased from the prior comparable period primarily as a result of a decrease in unrealized gain on marketable equity securities offset by an increase in interest income.

Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	Change	2024	2025	Change	2024
Corporate general and administrative	$ 1,509,171	$ (715,589)	$ 2,224,760	$ 3,298,970	$ 13,527	$ 3,285,443
Legal and accounting	755,159	(94,404)	849,563	1,389,521	(137,623)	1,527,144
Enforcement of Arbitral Award	2,631,698	1,009,784	1,621,914	9,456,729	6,986,881	2,469,848
Exploration costs	11,460	4,592	6,868	18,598	4,956	13,642
Right of use asset interest expense	4,910	4,910	–	4,910	4,910	–
Total expenses for the period	$ 4,912,398	$ 209,293	$ 4,703,105	$ 14,168,728	$ 6,872,651	$ 7,296,077

Corporate general and administrative expense for the six months ended June 30, 2025, increased primarily due to an increase in consultant fees, offset by a reduction in costs associated with the Q2 2024 cybersecurity incident. For the three months ended June 30, 2025, corporate general and administrative expense decreased due to a reduction in costs associated with the Q2 2024 cybersecurity incident, partially offset by an increase in consulting fees. Legal and accounting expenses decreased primarily as a result of a decrease in professional fees associated with tax compliance, potential new arbitration proceedings and other corporate matters. Enforcement of Arbitral Award expense increased due to legal and other costs associated with enforcement and collection of the Award through the legal proceedings in Delaware and Portugal. Overall, total expenses for the six months ended June 30, 2025 increased by approximately $6.9 million from the comparable period in 2024.

Summary of Quarterly Results (1)

Quarter ended	6/30/25	3/31/25	12/31/24	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23
Income (loss)	$1,140,207	$857,884	$8,215	$962,142	$743,753	$1,392,988	$835,394	$840,718
Net loss								
before tax	(3,772,191)	(8,398,446)	(6,226,458)	(2,891,228)	(3,959,352)	(1,199,984)	(1,976,810)	(845,463)
Per share	(0.03)	(0.07)	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.01)
Fully diluted	(0.03)	(0.07)	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.01)
Net loss	(4,017,902)	(8,636,109)	(6,490,088)	(3,145,554)	(4,158,314)	(1,395,027)	(2,170,580)	(18,450,576)
Per share	(0.04)	(0.08)	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.19)
Fully diluted	(0.04)	(0.08)	(0.06)	(0.03)	(0.04)	(0.01)	(0.02)	(0.19)

(1) The information shown above is derived from our unaudited consolidated financial statements.

In the first and second quarters of 2025, income increased primarily as a result of increases in unrealized gain on equity securities. 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 2025, net loss decreased due to a decrease in legal costs of enforcement of the Arbitral Award. In the first quarter of 2025, net loss increased as a result of an increase in legal costs of enforcement of the Arbitral Award, partially offset by a decrease in general and administrative expense. 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.

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.

The Company's CEO, Rockne J. Timm, retired from the Company effective February 13, 2024. 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.