

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

	<b>30 September 2025</b>	<b>31 December 2024</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents (Note 6)	\$ 89,402,645	\$ 42,823,737
Term deposits (Note 7)	–	34,171,941
Marketable equity securities (Note 8)	2,293,759	1,424,461
Prepaid expense and other	314,884	257,735
<b>Total current assets</b>	<b>92,011,288</b>	<b>78,677,874</b>
Property, plant and equipment, net (Note 9)	352,893	364,925
Right of use asset, net (Note 10)	252,986	–
<b>Total assets</b>	<b>\$ 92,617,167</b>	<b>\$ 79,042,799</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 8,636,587	\$ 2,323,863
Income tax payable (Note 13)	11,357,178	10,619,740
Severance accrual (Note 16)	–	1,000,000
Current lease liabilities	161,243	–
<b>Total current liabilities</b>	<b>20,155,008</b>	<b>13,943,603</b>
Long-term lease liabilities	73,429	–
<b>Total liabilities</b>	<b>20,228,437</b>	<b>13,943,603</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common shares (Note 14 and 15)	1,227,149	1,130,374
Par value: \$0.01		
Authorized: 500,000,000		
Issued and outstanding: 2025....122,714,914; 2024....113,037,414		
Common Share Premium (Note 15)	380,373,341	351,725,060
Contributed surplus	20,625,372	20,625,372
Stock options (Note 12)	25,683,371	25,200,136
Accumulated deficit	(355,520,503)	(333,581,746)
<b>Total shareholders' equity</b>	<b>72,388,730</b>	<b>65,099,196</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 92,617,167</b>	<b>\$ 79,042,799</b>

Commitments and Contingencies (Note 5, 13, 14 and 17)

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

Approved by the Board of Directors:

/s/ James P. Tunkey

/s/ Yves M. Gagnon

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

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September,</b>		<b>30 September,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>INCOME (LOSS)</b>				
Interest income	\$ 836,603	\$ 1,038,391	\$ 2,377,365	\$ 1,988,741
Unrealized gain (loss) on equity securities (Note 8)	394,987	(61,875)	869,298	1,156,895
Foreign currency loss	(9,741)	(14,374)	(26,723)	(46,753)
	<u>1,221,849</u>	<u>962,142</u>	<u>3,219,940</u>	<u>3,098,883</u>
<b>EXPENSES</b>				
Corporate general and administrative (Notes 12 and 16)	1,712,502	1,274,026	5,011,472	4,559,469
Legal and accounting	614,101	1,334,479	2,003,622	2,861,623
Enforcement of Arbitral Award (Note 5)	7,882,161	1,204,714	17,338,890	3,674,562
Exploration costs	36,400	40,151	54,998	53,793
Right of use asset interest expense (Note 10)	7,367	-	12,277	-
	<u>10,252,531</u>	<u>3,853,370</u>	<u>24,421,259</u>	<u>11,149,447</u>
Net loss before income tax expense	<u>(9,030,682)</u>	<u>(2,891,228)</u>	<u>(21,201,319)</u>	<u>(8,050,564)</u>
Income tax expense (Note 13)	<u>(254,064)</u>	<u>(254,326)</u>	<u>(737,438)</u>	<u>(648,331)</u>
Net loss and comprehensive loss for the period	<u>\$ (9,284,746)</u>	<u>\$ (3,145,554)</u>	<u>\$ (21,938,757)</u>	<u>\$ (8,698,895)</u>
Net loss per share, basic and diluted	<u>\$ (0.08)</u>	<u>\$ (0.03)</u>	<u>\$ (0.19)</u>	<u>\$ (0.08)</u>
Weighted average common shares outstanding, basic and diluted	<u>119,559,207</u>	<u>112,731,664</u>	<u>115,235,235</u>	<u>104,382,299</u>

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

**GOLD RESERVE LTD.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited - Expressed in U.S. dollars)

For the Three Months Ended 30 September 2025 and 2024

	Common Shares			Contributed Surplus	Stock Options	Accumulated Deficit
	Number	Amount	Premium			
Balance, 30 June 2025	113,037,414	\$ 1,130,374	\$351,904,105	\$20,625,372	\$ 25,658,350	\$(346,235,757)
Net loss for the period	–	–	–	–	–	(9,284,746)
Stock option comp. (Note 12)	–	–	–	–	25,021	–
Return of capital funds (Note 14)	–	–	278	–	–	–
Common shares issued for:						
Private placement, net of costs	9,677,500	96,775	28,468,958	–	–	–
<b>Balance, 30 September 2025</b>	<b>122,714,914</b>	<b>\$ 1,227,149</b>	<b>\$380,373,341</b>	<b>\$20,625,372</b>	<b>\$ 25,683,371</b>	<b>\$(355,520,503)</b>
Balance, 30 June 2024	104,019,426	\$317,227,066	\$ –	\$20,625,372	\$ 24,026,399	\$(323,946,104)
Net loss for the period	–	–	–	–	–	(3,145,554)
Stock option comp. (Note 12)	–	–	–	–	135,987	–
Fair value of options exercised	–	228,562	–	–	(228,562)	–
Common shares issued for:						
Private placement, net of costs	8,780,488	34,734,306	–	–	–	–
Option exercises	237,500	665,500	–	–	–	–
Reclassification (Note 15)	–	(351,725,060)	351,725,060	–	–	–
<b>Balance, 30 September 2024</b>	<b>113,037,414</b>	<b>\$1,130,374</b>	<b>\$351,725,060</b>	<b>\$20,625,372</b>	<b>\$ 23,933,824</b>	<b>\$(327,091,658)</b>

For the Nine Months Ended 30 September 2025 and 2024

	Common Shares			Contributed Surplus	Stock Options	Accumulated Deficit
	Number	Amount	Premium			
Balance, 31 December 2024	113,037,414	\$ 1,130,374	\$351,725,060	\$20,625,372	\$ 25,200,136	\$(333,581,746)
Net loss for the period	–	–	–	–	–	(21,938,757)
Stock option comp. (Note 12)	–	–	–	–	483,235	–
Return of capital funds (Note 14)	–	–	179,323	–	–	–
Common shares issued for:						
Private placement, net of costs	9,677,500	96,775	28,468,958	–	–	–
<b>Balance, 30 September 2025</b>	<b>122,714,914</b>	<b>\$ 1,227,149</b>	<b>\$380,373,341</b>	<b>\$20,625,372</b>	<b>\$ 25,683,371</b>	<b>\$(355,520,503)</b>
Balance, 31 December 2023	99,548,711	\$302,681,173	\$ –	\$20,625,372	\$ 23,661,590	\$(318,392,763)
Net loss for the period	–	–	–	–	–	(8,698,895)
Stock option comp. (Note 12)	–	–	–	–	603,098	–
Fair value of options exercised	–	330,864	–	–	(330,864)	–
Common shares issued for:						
Private placement, net of costs	13,066,203	48,921,547	–	–	–	–
Option exercises	422,500	921,850	–	–	–	–
Reclassification (Note 15)	–	(351,725,060)	351,725,060	–	–	–
<b>Balance, 30 September 2024</b>	<b>113,037,414</b>	<b>\$ 1,130,374</b>	<b>\$351,725,060</b>	<b>\$20,625,372</b>	<b>\$ 23,933,824</b>	<b>\$(327,091,658)</b>

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

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

	Three Months Ended		Nine Months Ended	
	30 September		30 September	
	2025	2024	2025	2024
<b>Cash Flows from Operating Activities:</b>				
Net loss for the year	\$ (9,284,746)	\$ (3,145,554)	\$ (21,938,757)	\$ (8,698,895)
Adjustments to reconcile net loss to net cash used in operating activities:				
Stock option compensation (Note 12)	25,021	135,987	483,235	603,098
Depreciation and amortization	45,066	3,581	80,338	11,300
Right of use asset interest expense (Note 10)	7,367	–	12,277	–
Unrealized loss (gain) on marketable equity securities (Note 8)	(394,987)	61,875	(869,298)	(1,156,895)
Loss on disposition of property, plant and equipment	–	–	3,554	–
Amortized interest on term deposits (Note 7)	(65,471)	(237,427)	(658,263)	(938,276)
Changes in non-cash working capital:				
Increase in income tax payable (Note 13)	254,064	254,326	737,438	648,331
Decrease in severance accrual (Note 16)	–	–	(1,000,000)	(743,511)
Net decrease (increase) in prepaid expense and other	448,095	126,693	(57,149)	(163,828)
Net increase (decrease) in payables and accrued expenses	2,740,233	(324,058)	6,312,724	1,972,829
Net cash used in operating activities	(6,225,358)	(3,124,577)	(16,893,901)	(8,465,847)
<b>Cash Flows from Investing Activities:</b>				
Purchase of property, plant and equipment	–	–	(1,344)	–
Purchase of property, plant and equipment – ROU asset	–	–	(105,000)	–
Proceeds from disposition of property, plant and equipment	–	–	3,893	–
Purchase of term deposits	–	(20,231,036)	(20,567,175)	(31,539,759)
Proceeds from maturity of term deposits	15,000,000	6,052,913	55,397,379	36,244,914
Net cash provided by (used in) investing activities	15,000,000	(14,178,123)	34,727,753	4,705,155
<b>Cash Flows from Financing Activities:</b>				
Proceeds from private placement of common shares	30,000,250	36,000,001	30,000,250	51,000,003
Proceeds from exercise of stock options	–	665,500	–	921,850
Financing fees	(1,434,517)	(1,265,695)	(1,434,517)	(2,078,456)
Return of capital funds	179,323	–	179,323	–
Net cash provided by financing activities	28,745,056	35,399,806	28,745,056	49,843,397
<b>Change in Cash and Cash Equivalents:</b>				
Net increase in cash and cash equivalents	37,519,698	18,097,106	46,578,908	46,082,705
Cash and cash equivalents - beginning of period	51,882,947	36,514,761	42,823,737	8,529,162
Cash and cash equivalents - end of period	\$ 89,402,645	\$ 54,611,867	\$ 89,402,645	\$ 54,611,867
<b>Supplemental Schedule of Non-Cash Investing and Financing Activities:</b>				
Right of use asset funded by lease liabilities	\$ –	\$ –	\$ 222,395	\$ –

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

**GOLD RESERVE LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited - Expressed in U.S. dollars)

**Note 1. The Company and Significant Accounting Policies:**

Gold Reserve Ltd. ("Gold Reserve," the "Company," "we," "us," or "our") has historically been engaged in the business of evaluating, acquiring, exploring and developing mining projects and was incorporated in 1998 under the laws of the Yukon Territory, Canada and continued to Alberta, Canada in September 2014. On 30 September 2024, the Company continued from the Province of Alberta to Bermuda. In connection with the continuance, the Company's name was changed from "Gold Reserve Inc." to "Gold Reserve Ltd." (See Note 15).

Gold Reserve Inc. was the successor issuer to Gold Reserve Corporation which was incorporated in 1956. The Company's primary activities include those related to corporate and legal activities associated with the collection of the unpaid balance of the Award (defined below, see Note 5) and matters related to the Siembra Minera project (the "Siembra Minera Project").

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

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

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

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

***Basis of Presentation and Principles of Consolidation.*** These consolidated financial statements for the nine months ended 30 September 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Refer to Note 3 for information on how the Company adopted IFRS. For all periods up to and including the year ended 31 December 2024, the Company prepared its financial statements in accordance with U.S. generally accepted accounting principles ("US GAAP"). The statements include the accounts of the Company, Gold Reserve Corporation and three Barbadian subsidiaries one of which was formed to hold our equity interest in Empresa Mixta Ecosocialista Siembra Minera, S.A. ("Siembra Minera") which is beneficially owned 55% by a Venezuelan state-owned entity and 45% by Gold Reserve. Our investment in Siembra Minera is accounted for as an equity investment. All subsidiaries are wholly owned. All intercompany accounts and transactions have been eliminated on consolidation. Our policy is to consolidate those subsidiaries where control exists.

***Cash and Cash Equivalents.*** We consider short-term, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents for purposes of reporting cash equivalents and cash flows. The cost of these investments approximates fair value. We manage the exposure of our cash and cash equivalents to credit risk by diversifying our cash holdings (See Note 6).

**GOLD RESERVE LTD.**  
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**Exploration and Development Costs.** Exploration costs incurred in locating areas of potential mineralization or evaluating properties or working interests with specific areas of potential mineralization are expensed as incurred. Development costs of proven mining properties not yet producing are capitalized at cost and classified as capitalized development costs under property, plant and equipment. Mineral property acquisition costs are capitalized and holding costs of such properties are charged to operations during the period if no significant exploration or development activities are being conducted on the related properties. Upon commencement of production, capitalized exploration and development costs would be amortized based on the estimated proven and probable reserves benefited. Mineral properties determined to be impaired or that are abandoned are written-down to the estimated fair value. Carrying values do not necessarily reflect present or future values.

**Property, Plant and Equipment.** Property, plant and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives, except for equipment not yet placed into use. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and accumulated depreciation of assets retired or sold are removed from the accounts and any resulting gain or loss is reflected in operations. Furniture, office equipment and leasehold improvements are depreciated using the straight-line method over five to ten years.

**Leased Assets.** At lease commencement date, the Company recognizes a right-of-use asset and lease liability on the balance sheet. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date. The right-of-use asset is depreciated using the straight-line method from the commencement date to end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its expected incremental borrowing rate as the discount rate. The lease liability will be reduced for payments made and increased for interest.

**Impairment of Long-Lived Assets.** We review long-lived assets for impairment at each reporting date. Assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash flows of other assets. If the carrying value of the asset exceeds its recoverable amount, an impairment loss would be recognized within the statement of operations. The recoverable amount is calculated as the higher of the asset's (or asset group's) value in use or its fair value less costs of disposal.

**Foreign Currency.** The U.S. dollar is our (and our foreign subsidiaries') functional currency. Monetary assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the rates of exchange in effect at the balance sheet dates. Non-monetary assets and liabilities are translated at historical rates and revenue and expense items are translated at average exchange rates during the reporting period, except for depreciation which is translated at historical rates. Translation gains and losses are included in the statement of operations.

**Stock Based Compensation.** We maintain an equity incentive plan which provides for the grant of stock options to purchase common shares. We use the fair value method of accounting for stock options. The fair value of options granted to employees is computed using the Black-Scholes method as described in Note 12 and is expensed over the vesting period of the option. For non-employees, the fair value of stock-based compensation is recorded as an expense over the vesting period or upon completion of performance. Consideration paid for shares on exercise of stock options, in addition to the fair value attributable to stock options granted, is credited to capital stock. Stock options granted under the plan become fully vested and exercisable upon a change of control.

**Income Taxes.** We use the liability method of accounting for income taxes. Deferred tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and those amounts reported in the financial statements. The deferred tax assets or liabilities are calculated using the enacted tax rates expected to apply in the periods in which the differences are expected to be settled. Deferred tax assets are recognized to the extent that they are considered probable to be realized. The Company classifies interest and penalties on underpayment of income tax as income tax expense.

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**Uncertain Tax Positions.** We record uncertain tax positions based on a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold which requires that the Company determine if it is probable that it will sustain the tax benefit taken or expected to be taken in the event of a dispute with taxing authorities. The second step, for those positions meeting the “probable” threshold, is to recognize the largest amount of benefit that is greater than 50 percent likely to be realized upon settlement with taxing authorities. Management periodically evaluates positions taken in tax returns in situations in which applicable tax regulation is subject to interpretation. The Company establishes provisions where appropriate on the basis of amounts expected to be received from or paid to tax authorities. (See Note 13)

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

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

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

**Financial Instruments.** Marketable equity securities are measured at fair value at each reporting date, with the change in value recognized in the statement of operations as a gain or loss. Cash and cash equivalents, term deposits, deposits, advances and receivables are accounted for at amortized cost which approximates fair value (See Notes 6 and 7). Accounts payable and contingent value rights are recorded at amortized cost which approximates fair value. The values of the financial instruments noted above are based on level one inputs.

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

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

## **Note 2. New Accounting Policies:**

### Recently issued accounting pronouncements

In April 2024, the Board issued IFRS 18 to replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces three sets of new requirements to improve the way companies report their financial performance and give investors a better basis for analyzing and comparing companies:

- Improved comparability in the statement of income: IFRS 18 introduces three defined categories for income and expenses (operating, investing and financing) to improve the structure of the statement of income, and requires all companies to provide new defined subtotals, including operating profit.
- Enhanced transparency of management-defined performance measures: The new standard requires companies to disclose explanations of those company-specific measures that are related to the statement of income, referred to as management-defined performance measures.
- More useful grouping of information in the financial statements: IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. In

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addition, the new standard requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and early application is permitted. Management is assessing the impact that this amendment will have on the Company's interim financial statements and disclosures.

**Note 3. Adoption of IFRS:**

On 30 January 2025, the Company deregistered its shares with the U.S. Securities and Exchange Commission (the "SEC"). As the Company is no longer an SEC registrant but continues to be listed for trading as a foreign issuer on the TSX Venture Exchange and be subject to applicable Canadian securities legislation, its financial statements are presented in accordance with IFRS.

Accordingly, the Company has prepared these consolidated financial statements that comply with IFRS applicable as at 30 September 2025, together with the comparative period data for the three and nine months ended 30 September 2024, and the year ended 31 December 2024 as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening balance sheet was prepared as at 1 January 2024, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its US GAAP financial statements, including the balance sheet as at 1 January 2024 and the financial statements as of, and for, the year ended 31 December 2024.

Note that no exemptions were applied in the adoption of IFRS.

The Company reviewed the statements of financial position as of the following dates and noted there were no differences in the measurements, classification or presentation of balances in accordance with IFRS when compared to those balances previously reported in accordance with US GAAP:

- As of the adoption date of 1 January 2024
- As of 31 December 2024

Additionally, the Company reviewed the statements of operations for the following periods and noted there were no differences in the measurements, classification or presentation of transactions in accordance with IFRS when compared to those balances previously reported in accordance with US GAAP:

- For the three and nine months ended 30 September 2024
- For the twelve months ended 31 December 2024

**Note 4. Estimates and judgements**

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

- Note 7 and 8 – the classification of financial instruments

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**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting date that have significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year is included in the following notes:

- Note 10 – Calculating the appropriate discount rate to use and estimating the lease term
- Note 12 – Determining the fair value of stock options granted to individuals
- Note 13 – Recognition of deferred tax assets – availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized
- Note 13 – Uncertain tax treatments

*Measurements of fair values*

The Company maintains financial assets and liabilities which require measurement at fair value. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quotes prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset and liability that are both based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As discussed within Note 1, all of the Company's financial assets and liabilities are measured based on Level 1 inputs.

**Note 5. Enforcement of Arbitral Award:**

In October 2009 we initiated a claim (the "Brisas Arbitration") under the Additional Facility Rules of the International Centre for the Settlement of Investment Disputes ("ICSID") to obtain compensation for the losses caused by the actions of Venezuela that terminated our previous mining project known as the "Brisas Project." On 22 September 2014, we were granted an Arbitral Award (the "Award") totaling \$740.3 million plus post-Award interest.

In July 2016, we signed the Settlement Agreement, subsequently amended, whereby Venezuela agreed among other things to pay us a total of approximately \$1.032 billion which is comprised of \$792 million to satisfy the Award (including interest) and \$240 million for the purchase of our mining data related to the Brisas Project (the "Mining Data") in a series of payments ending on or before 15 June 2019 (the "Settlement Agreement"). As agreed, the first \$240 million received by Gold Reserve from Venezuela has been recognized as proceeds from the sale of the Mining Data. Venezuela has been in breach of the Settlement Agreement since, at the latest, 2018. The Company is pursuing enforcement of the Award through legal proceedings in the United States and Portugal.

To date, the Company has received payments of approximately \$254 million pursuant to the Settlement Agreement. Venezuela is in breach of the Settlement Agreement and the Company is pursuing enforcement of the Award in the United States and other jurisdictions (which includes collection efforts). The remaining unpaid amount due from Venezuela pursuant to the Award totals an estimated \$1.2 billion (including interest) as of 30 September 2025. In relation to the unpaid amount due from Venezuela, the Company has not recognized an Award receivable or associated liabilities on its financial statements which would include taxes, bonus plan and contingent value right payments, described below, as management has not yet determined that payment from Venezuela is probable. While collection efforts continue, including legal proceedings in the United States and Portugal, the timing and amount of any funds collected under the Award, if any, is not yet probable as at 30 September 2025. This judgment was based on various factors including Venezuela's history of refusing to make payments on international arbitration awards and other legal judgments, the Sanctions imposed on Venezuela, the current economic and political instability in Venezuela and the history of non-payment by Venezuela under the terms of the Settlement Agreement. The Award

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receivable and any associated liabilities will be recognized when, in management's judgment, it is probable that payment from Venezuela will occur.

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

We have Contingent Value Rights ("CVRs") outstanding that entitle the holders to an aggregate of 5.466% of certain proceeds from Venezuela associated with the collection of the Award and/or sale of Mining Data or an enterprise sale, as such terms are defined in the CVRs (the "Proceeds"), less amounts for certain specified obligations (as defined in the CVR), as well as a bonus plan as described below. As of 30 September 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.

We maintain a bonus plan (the "Bonus Plan") which is intended to compensate the participants, including executive officers, employees, directors and consultants, for their past and present contributions to the Company. The bonus pool under the Bonus Plan is comprised of the gross proceeds collected or the fair value of any consideration realized less applicable taxes multiplied by 1.28% of the first \$200 million and 6.4% thereafter. The bonus pool is determined substantially the same as Net Proceeds for the CVR. As of 30 September 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.

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

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

**Note 6. Cash and Cash Equivalents:**

	30 September 2025	31 December 2024
Bank deposits	\$ 38,950,114	\$ 370,216
Short term investments:		
Money market funds	32,560,857	29,500,744
U.S. Treasury bills	17,891,674	12,952,777
Total short-term investments	50,452,531	42,453,521
Total cash and cash equivalents	\$ 89,402,645	\$ 42,823,737

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

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**Note 7. Term Deposits:**

	30 September 2025	31 December 2024
U.S. Treasury Bills	\$ –	\$ 29,900,100
Certificates of deposit	–	4,271,841
	<u>\$ –</u>	<u>\$ 34,171,941</u>

The Company invests in term deposits which are classified as amortized cost and have original maturities of greater than 3 months and less than 12 months. The carrying values of term deposits approximate fair value. Term deposits consist of U.S. treasury bills purchased at a discount and amortized to face value over their respective terms and certificates of deposit. The Company recorded non-cash interest income of \$65,471 and \$237,427 during the three months ended 30 September, 2025 and 2024, respectively, and \$658,263 and \$938,276 for the nine months ended 30 September 2025 and 2024, respectively, related to the amortization of discount on term deposits.

**Note 8. Marketable Securities:**

	30 September 2025	31 December 2024
<b><u>Equity securities</u></b>		
Fair value and carrying value at beginning of year	\$ 1,424,461	\$ 1,175,892
Increase in fair value	869,298	248,569
Fair value and carrying value at balance sheet date	<u>\$ 2,293,759</u>	<u>\$ 1,424,461</u>

Marketable equity securities are classified as Fair Value Through Profit and Loss (FVTPL) and accounted for at fair value, based on quoted market prices with unrealized gains or losses recorded within "Income (Loss)" in the Consolidated Statements of Operations. The fair values of the Company's marketable equity securities as at the balance sheet date are based on Level 1 inputs.

**Note 9. Property, Plant and Equipment:**

	Cost	Accumulated Depreciation	Net
<b>30 September 2025</b>			
Furniture and office equipment	\$ 44,054	\$ (41,161)	\$ 2,893
Mineral property	350,000	–	350,000
	<u>\$ 394,054</u>	<u>\$ (41,161)</u>	<u>\$ 352,893</u>
	Cost	Accumulated Depreciation	Net
<b>31 December 2024</b>			
Furniture and office equipment	\$ 328,345	\$ (313,420)	\$ 14,925
Leasehold improvements	29,390	(29,390)	–
Mineral property	350,000	–	350,000
	<u>\$ 707,735</u>	<u>\$ (342,810)</u>	<u>\$ 364,925</u>

At each reporting period, we evaluate our equipment and mineral property to determine whether events or changes in circumstances have occurred that may indicate that the carrying amount may not be recoverable. No impairment write-downs of property, plant and equipment were recorded during the three and nine months ended 30

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September 2025 and 2024. During the three and nine months ended 30 September 2025, the Company recorded a loss of Nil and \$3,554, respectively, on the disposal of property, plant and equipment. During the three and nine months ended 30 September 2024, no loss on the disposal of property, plant and equipment was recorded. During the three months ended 30 September 2025 and 2024, the Company recorded depreciation expense of \$421 and \$3,581, respectively. During the nine months ended 30 September 2025 and 2024, the Company recorded depreciation expense of \$5,930 and \$11,300, respectively.

**Note 10. Right of Use Asset and Lease Liabilities:**

On 29 April 2025, the Company executed an agreement to lease office space in Bermuda which is reflected on the balance sheet as a right-of-use asset and lease liability. A lump sum payment of \$105,000 was due upon execution of the agreement, with monthly payments of \$15,000 payable the first of each month commencing 1 October 2025 through the end of the lease term, which expires on 28 February 2027. The Company uses its expected incremental borrowing rate, as of the execution date of the lease, of 13.49% as the discount rate. As of 30 September 2025, the remaining term of the lease is seventeen months. The information about the lease for which the Company is a lessee is presented below.

ROU Rollforward:

<b>Balance at 31 December 2024</b>	\$	–
Additions		327,394
Depreciation		(74,408)
Impairment		–
Modifications to lease terms		–
<b>Balance at 30 September 2025</b>	<u>\$</u>	<u>252,986</u>

Lease Liability Rollforward:

<b>Balance at 31 December 2024</b>	\$	–
Interest expense		12,277
Payments		–
Additions		222,395
Modifications to lease terms		–
<b>Balance at 30 September 2025</b>	<u>\$</u>	<u>234,672</u>

The lease liability as of 30 September 2025 is reflected in the Consolidated Balance Sheet as follows:

Current lease liabilities	\$	161,243
Long-term lease liabilities		73,429
<b>Total lease liabilities</b>	<u>\$</u>	<u>234,672</u>

**Note 11. 401(k) Plan:**

The 401(k) Plan, formerly entitled the KSOP Plan, was originally adopted in 1990 and was most recently restated effective 1 January 2021. The purpose of the 401(k) Plan is to offer retirement benefits to eligible employees of the Company. The 401(k) Plan provides for a salary deferral, a non-elective contribution of 3% of each eligible participant's annual compensation and discretionary contributions. Allocation of common shares or cash to participants' accounts, subject to certain limitations, is at the discretion of the Board. Cash contributions for the 2024 plan year were approximately \$72,000. As of 30 September 2025, no contributions had been made by the Company for the 2025 plan year.

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**Note 12. Stock Based Compensation Plans:**

Equity Incentive Plan

In May 2024, the Company's Board of Directors approved an amendment to the equity incentive plan whereby, among other things, the number of common shares of the Company available to be granted under the Plan would be increased to 14,932,307. The amendment was approved 12 December 2024, by the shareholders of the Company. As of 30 September 2025, there were 3,012,415 options available for grant. Grants are made for terms of up to ten years with vesting periods as required by the TSX Venture Exchange and as may be determined by the Board or a committee of the Board established pursuant to the equity incentive plan.

Stock option transactions for the nine months ended 30 September 2025 and 2024 are as follows:

	Nine Months Ended 30 September			
	2025		2024	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Options outstanding - beginning of period	11,952,392	\$ 3.24	7,722,392	\$ 2.04
Options granted	100,000	1.72	940,000	4.24
Options exercised	-	-	(422,500)	2.18
Options cancelled	(435,000)	2.60	(187,500)	1.28
Options outstanding - end of period	11,617,392	\$ 3.25	8,052,392	\$ 2.27

The following table relates to stock options at 30 September 2025:

Outstanding Options					Exercisable Options				
Exercise Price	Number	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)	Number	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)	
\$0.99 - \$1.08	243,999	\$1.04	\$ 150,519	7.08	243,999	\$1.04	\$ 150,519	7.08	
\$1.60 - \$1.60	2,863,750	\$1.60	171,825	6.01	2,863,750	\$1.60	171,825	6.01	
\$1.61 - \$1.93	945,000	\$1.70	15,550	6.42	945,000	\$1.70	15,550	6.42	
\$2.35 - \$2.52	4,124,643	\$2.38	-	2.26	4,124,643	\$2.38	-	2.26	
\$3.15 - \$3.28	390,000	\$3.24	-	5.30	390,000	\$3.24	-	5.30	
\$4.48 - \$7.00	3,050,000	\$6.63	-	3.67	1,800,000	\$6.37	-	3.73	
\$0.99 - \$7.00	11,617,392	\$3.25	\$ 337,894	4.10	10,367,392	\$2.80	\$ 337,894	4.16	

The Company granted Nil stock options, during the three months ended 30 September 2025 and 2024, respectively and 100,000 and 940,000 stock options, during the nine months ended 30 September 2025 and 2024, respectively. Additionally, during the nine months ended 30 September 2024, the Company granted 2,500,000 conditional stock options, which were subject to approval of the TSX Venture Exchange and the Company's shareholders. The Company recorded non-cash stock option compensation expense during the three months ended 30 September 2025 and 2024 of \$25,021 and \$135,987, respectively, for stock options granted in the current and prior periods. The Company recorded non-cash compensation during the nine months ended 30 September 2025 and 2024 of \$483,235 and \$603,098, respectively, for stock options granted in the current and prior periods. The weighted average grant date fair value of unvested options was \$0.12 and \$0.15 as of 30 September 2025 and 2024, respectively. The remaining unamortized stock option compensation expense as of 30 September 2025 was \$9,247 and will be expensed in 2025.

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The weighted average fair value of the options granted during the nine months ended 30 September 2025 and 2024 was calculated as \$0.85 and \$0.24, respectively. The fair value of options granted during the nine months ended 30 September 2025 and 2024 was determined using the Black-Scholes model based on the following weighted average assumptions:

	Nine Months Ended 30 September	
	2025	2024
Risk free interest rate	4.04%	4.96%
Expected term	3 years	1.5 years
Expected volatility	71%	44%
Dividend yield	Nil	Nil

The risk-free interest rate is based on the US Treasury rate on the date of grant for a period equal to the expected term of the option. The expected term is based on historical exercise experience and projected post-vesting behavior. The expected volatility is based on historical volatility of our common stock over a period equal to the expected term of the option.

**Change of Control Agreements**

The Company maintains change of control agreements with an officer and a consultant. A Change of Control is generally defined as one or more of the following: the acquisition by any individual, entity or group, of beneficial ownership of 25 percent of the voting power of the Company's outstanding Common Shares; a change in the composition of the Board that causes less than a majority of the current directors of the Board to be members of the incoming board; reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company; liquidation or dissolution of the Company; or any other event the Board reasonably determines constitutes a Change of Control. As of 30 September 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, which has not been recognized herein as no event of a change of control has been triggered as of the date of this report.

**Note 13. Income Tax:**

Effective with the 30 September 2024 continuance to Bermuda, the corporate income tax rate for the Bermuda parent company was reduced to zero. Income tax benefit (expense) for the three and nine months ended 30 September 2025 differs from the amount that would result from applying Bermuda tax rates (for the three and nine months ended 30 September 2025) and Canadian tax rates (for the three and nine months ended 30 September 2024) to net loss before taxes. These differences result from the items noted below:

	Three Months Ended 30 September				Nine Months Ended 30 September			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Income tax benefit based on statutory tax rates	\$ -	-	\$(1,289,834)	(45)	\$ -	-	\$ -	-
Difference due to:								
Different tax rates in foreign jurisdictions	(14,284)	-	1,991,945	69	61,092	-	1,995,622	25
Non-deductible expenses	(5,327)	-	(28,965)	(1)	(102,933)	-	(127,612)	(2)
Change in valuation allowance and other	19,611	-	(673,146)	(23)	41,841	-	(1,868,010)	(23)
Interest on income tax payable	(254,064)	(3)	(254,326)	(9)	(737,438)	(4)	(648,331)	(8)
Income tax expense	<u>\$ (254,064)</u>	<u>(3)</u>	<u>\$ (254,326)</u>	<u>(9)</u>	<u>\$ (737,438)</u>	<u>(4)</u>	<u>\$ (648,331)</u>	<u>(8)</u>

The Company recorded income tax expense of \$254,064 and \$254,326 for the three months ended 30 September 2025 and 2024, respectively, and \$737,438 and \$648,331 for the nine months ended 30 September 2025 and 2024, respectively. Income tax expense in 2025 and 2024 was a result of interest related to the derecognition of previously recognized tax benefits as outlined below.

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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 had raised and in consideration of the ongoing CRA audit. Accordingly, the Company recognized approximately \$17.8 million in income tax expense (including interest of \$1.8 million), as a result of the reversal of an \$8.1 million income tax receivable and the recognition of an income tax payable of \$9.7 million (including interest of \$1.8 million) during the year ended 31 December 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 nine months ended 30 September 2025, no adjustments were made to the gross uncertain tax position. As of 30 September 2025, the Company has a gross uncertain tax position of \$16.0 million plus accrued interest of \$3.4 million in relation to this matter.

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

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

On 31 January 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

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ability to continue as a going concern. If the CRA is not in agreement with the Company's notice of objection, within the prescribed period, the Company would have the right to appeal to the Tax Court of Canada. If a notice of reassessment is received, the Company currently estimates that the ultimate resolution of the matter may take two to four years. If the Company is ultimately successful in defending its position, then any taxes, interest and penalties paid to CRA would be refunded plus interest. If CRA is successful, then any taxes payable plus interest and any penalties would have to be remitted. This would have a material adverse impact on the financial position of the Company and may lead to substantial doubt about the Company's ability to continue as a going concern.

The Company has an uncertain tax position as it relates to the tax impact of the potential income inclusions outlined in the Proposal Letter. As the Proposal Letter consists of multiple different bases of assessments which could result in significantly different amounts of tax due, the potential tax impact cannot reasonably be estimated at this time. The Company has not recorded any amount related to this matter in its financial statements as of and for the three and nine months ended 30 September 2025.

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

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

	30 September 2025	31 December 2024
Total amount of gross unrecognized tax benefits at beginning of year	\$ 16,046,894	\$ 16,046,894
Addition based on tax positions related to the current year	-	-
Addition for tax positions of prior years	-	-
Reductions for tax positions of prior years	-	-
Settlements	-	-
Total amount of gross unrecognized tax benefits at end of period	<u>\$ 16,046,894</u>	<u>\$ 16,046,894</u>

At 30 September 2025 and 31 December 2024, the amount of unrecognized tax benefits, inclusive of interest that, if recognized, would impact the Company's effective tax rate were \$19,448,282 and \$18,710,844, respectively. The amount of unrecognized tax benefits does not include any penalties that may be assessed.

The components of the deferred income tax assets and liabilities as of 30 September 2025 and 31 December 2024 were as follows:

	30 September 2025	31 December 2024
Deferred income tax assets		
Net operating loss carry-forwards	\$ 1,446,568	\$ 1,368,115
Property, Plant and Equipment	(279)	(2,279)
Other	132,980	133,393
	<u>1,579,269</u>	<u>1,499,229</u>
Valuation allowance	(1,107,445)	(1,209,958)
	<u>\$ 471,824</u>	<u>\$ 289,271</u>
Deferred income tax liabilities		
Other	(471,824)	(289,271)
Net deferred income tax asset	<u>\$ -</u>	<u>\$ -</u>

At 30 September 2025, the Company's U.S. subsidiary had a \$6.9 million U.S. tax loss carry forward, which can be carried forward indefinitely, but is limited to 80% of taxable income.

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**Note 14. Common Shares:**

In July 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. In connection with the offering, the Company incurred costs of approximately \$1.4 million for net proceeds of approximately \$28.6 million.

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 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 common shares at a price per share of \$4.10. In connection with the offering, the Company incurred costs of approximately \$1.3 million for net proceeds of approximately \$34.7 million.

The net proceeds from the private placements, as well as additional cash on hand, provide the Company with funding for certain expenses in connection with efforts to collect the Award and for working capital and general corporate purposes.

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 were returned to the Company.

**Note 15. Continuance to Bermuda:**

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

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

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

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**Note 16. Related Party Transactions:**

In July 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 the fourth quarter of 2021, the Company and certain members of senior management entered into employment agreements as part of a three-year cost reduction program which terminated in the fourth quarter of 2024. The program provided for the reduction of cash compensation and the payment of an incentive bonus upon the achievement of specific objectives related to the development of the Company's business and prospects in Venezuela within certain time frames. The program also provided for severance payments upon the occurrence of certain events resulting in termination of employment. As of 31 December 2024, all of the individuals who were parties to these agreements had retired.

As of 31 December 2024, the Company had an accrued liability for severance payments of approximately \$1.0 million related to the retirement of the Company's President, James H. Coleman, effective 12 December 2024. This amount was recorded in general and administrative expense for the year ended 31 December 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 13 February 2024. Subsequent to his retirement as CEO, Mr. Timm entered a 3-year consulting agreement with the Company and continued as a director until he resigned on 12 December 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 31 December 2022 and entered a 3-year consulting arrangement with the Company effective 1 January 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.

**Note 17. Contingent Liability:**

In the third quarter of 2025, the Company received a request for payment of approximately \$80 million in fees under the loan facility entered into in connection with the Company's bid for the purchase of the shares of PDV Holdings, Inc. Based on legal advice, management believes these fees are not currently payable and that it is not probable that these obligations will become due in the future. Accordingly, no provision has been recognized in the financial statements. However, the Company has disclosed this contingent liability in accordance with IAS 37 and will continue to monitor the matter and reassess the need for recognition as further information becomes available. If it is determined that these fees are due and payable on a non-appealable basis, 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 as the Company does not currently have sufficient funds to pay such fees in addition to its other outstanding obligations.