

GOLD RESERVE

2025

ANNUAL REPORT TO SHAREHOLDERS

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

The following Management's Discussion and Analysis ("MD&A") of Gold Reserve Ltd. and its subsidiaries (collectively "Gold Reserve", the "Company", "we", "us", or "our") dated March 19, 2026 is intended to assist in understanding and assessing our results of operations and financial condition and should be read in conjunction with the audited consolidated financial statements of the Company, as at and for the years ended December 31, 2025 and 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 12-month average rate of exchange for one Canadian dollar, expressed in U.S. dollars, for each of the years ended December 31, 2025 and 2024 equaled 0.7155 and 0.7299 respectively, and the exchange rate at December 31, 2025 and 2024 equaled 0.7293 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 associated with our ability to enforce and collect the Award. These risks include, incurring the costs of enforcement and collection of the Award and the timing and success of that effort;
- 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 execute on the funds that the Lisbon District Court attached in Portugal on the Company's requests, and (b) the Company's ability to repatriate any funds obtained in the Lisbon proceedings, or any funds owed to the Company under the settlement arrangements that may become available;

- risks associated with the continued failure by Venezuela to honor its commitments under the Settlement Agreement with the Company. As of the date of this report, Venezuela still owes the Company an estimated $1.23 billion (including additional post-Award 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;
- risks related to the ongoing legal proceedings in Portugal to collect on the Award, including that the costs of such proceedings could be substantial and there is no assurance that the Company will be successful in such proceedings and collect on the Award;
- risks related to the 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 its claims against the Venezuelan government; and, in the event that the Company is successful in obtaining an award in its favor, there is no assurance that the Company will be successful in collecting on the award against Venezuela;
- 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 the Company is 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 the Company's 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 the Company's 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 the Company's 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 the Company's 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 $2.0 million as of December 31, 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;
- 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;
- 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; 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"); the U.S. Department of Treasury Office of Foreign Assets Control ("OFAC"), or any other applicable regulatory body, may not grant an authorization in connection with any potential sale of PDVH shares and/or whether OFAC changes its decision or guidance regarding the Sale Process; the discretion of the Special Master and the Court to otherwise consider any potential transaction of the Company solely or with one or more other parties ("Potential Transaction") in relation to the sale of PDVH shares, 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; 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 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; that the Special Master's Updated Final Recommendation of the Amber Energy bid is approved by the Court or on appeal and, as a result, the Company does not recover any monies under the Award and/or corresponding November 20, 2015 U.S. judgement; that the Special Master, his advisor and/or the Court are disqualified or recused and the sale process is restarted;

- 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;
- If the Dalinar Transaction is consummated, 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;
- Because the Dalinar Transaction was not approved by the Court, 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 even if the Dalinar Transaction is not consummated, expects to continue to incur significant expenses related to the Potential Transaction. 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; and

- Litigation relating to the Proposed Sale Transaction could require the Company and/or Dalinar to incur significant costs and 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.

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.

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. Following early 2026 events in Venezuela, management has renewed its efforts to explore and develop mining projects (see "Venezuela's Political, Economic and Social Conditions").

We were incorporated in 1998 under the laws of the Yukon Territory, Canada and continued under the *Business Corporations Act* (Alberta) (the "ABCA") to the Province of Alberta, Canada in September 2014. On September 30, 2024, we continued from the Province of Alberta to Bermuda. In connection with the continuance, the Company's name was changed from "Gold Reserve Inc." to "Gold Reserve Ltd.". We are the successor issuer to Gold Reserve Corporation, which was incorporated in the United States in 1956. We employed three individuals as of December 31, 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. In August 2025, The Special Master selected another bidder, Amber Energy, as the updated final recommendation. In September-October 2025, the Court held a Sale Hearing to consider objections to the Special Master's updated final recommendation and to decide whether to approve that recommendation or to select the Company's bid. In November 2025, the Court adopted the recommendation of the Special Master that the PDVH shares should be sold to Amber Energy. The Company filed an appeal of this decision which is ongoing. 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 as of that date) 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 $1.23 billion (including additional post Award 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. The Company and Venezuela have each appointed their arbitrators and now are in the process of appointing the President.

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.

Venezuela's Political, Economic and Social Conditions

In early January 2026, a U.S. military and law enforcement operation captured Venezuela's President, Nicolas Maduro, transporting him to the United States to face federal criminal charges including drug trafficking and narco-terrorism. The capture and extraction led to a series of political and diplomatic shifts in Venezuela. Delcy Rodriguez was sworn in as interim President of Venezuela. The Rodriguez administration released some political prisoners and signed an amnesty law which grants selective clemency for political offenses. The U.S. embassy in Caracas reopened and the Venezuelan government has engaged directly with U.S. officials in efforts to expand Venezuela's oil and mineral production. In March 2026, Company executives met in Caracas with a U.S. mining delegation which included officials from the U.S. Department of the Interior and other U.S. government agencies. This delegation also met with President Rodríguez and members of her administration for an open and constructive discussion regarding the conditions necessary to enable foreign investment and support the resumption of mining operations in the country. OFAC has granted a 30-day license for certain businesses, including Gold Reserve, to negotiate with Venezuela and the Company intends to utilize this opportunity to advance its Venezuelan mining interests, including with respect to the Siembra Minera Project.

Continuance to Bermuda and new Directors and Officers

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. and the composition of the Board changed as more fully described in the Directors and Officers section below, including by the introduction of three new Bermudian directors. Additionally, in January 2026, the Company announced the appointments of a Chief Legal Officer and Chief Operating Officer.

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 U.S. District Court for the District of Delaware (the "Delaware Court" or the "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 Sale 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 March 20, 2026. In September 2025, the U.S. District Court of the Southern District of New York ("SDNY") granted summary judgment in favor of the PDVSA 2020 Noteholders and in October 2025 entered judgment in their favor in the amount of $2.86 billion dollars plus post-judgment interest. This judgment is now on appeal. 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 were 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, were 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 included 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 expected 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 and Koch. 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 by the Special Master 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 Dalinar 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 which had been scheduled to start August 18, 2025, requested further briefing from the parties, and scheduled an in-person hearing on August 18, 2025, on this and related issues. At the in-person hearing, the Court rescheduled the start of the Sale Hearing to September 15, 2025 with a second hearing to potentially take place commencing October 21, 2025. Additionally, the Special Master was ordered to determine by August 25, 2025, whether it was adhering to the bid submitted by the Company's subsidiary, Dalinar Energy, or whether it had received a Superior Proposal.

On August 25, 2025, the Special Master provided a Notice of Determination of Superior Proposal ("Notice") to the Company. On August 27, 2025, the Company filed a motion to strike the Notice and any subsequent act of the Special Master based thereon. On August 28, 2025, the Company submitted an improved bid for consideration by the Special Master. On August 29, 2025, the Special Master selected Amber Energy as the updated final recommended bidder. One provision of the Amber Energy bid is that the Company would receive an expense reimbursement in the amount of $30 million at the closing of the Amber Energy bid. On September 2, 2025, the Company filed a notice of objection to the Amber Energy bid.

On September 15-18, 2025, the Court held the Sale Hearing on objections to the Special Master's Updated Final Recommendation of the Amber Energy bid. On September 18, 2025, the Court denied the Company's motion to strike the Notice and, over the Company's objection, granted the Special Master's request to terminate the Company's Stock Purchase Agreement ("SPA") and sign the Amber Energy SPA. The Company's objection was that such termination was improper for multiple reasons, including that such termination was not in accordance with the terms of the SPA. The Court noted that the termination of the Company's SPA was "entirely ministerial" and intended only to bring "the paperwork" of the Company's SPA in-line with the current status of the Special Master's recommendation. Thereafter, the parties engaged in multiple rounds of post-hearing briefing.

On October 9, 2025, the Company filed a motion to disqualify the Special Master, two of his professional advisors and the district court judge. The Company also requested a temporary stay of all decisions concerning any bids submitted in the Sale Process pending resolution of its disqualification motion. The Special Master and other interested parties subsequently filed briefs in response to the disqualification motion to which the Company and other parties filed reply briefs. The Court denied the Company's request for a temporary stay. On October 21 and 22, 2025, the Court heard the oral arguments on the disqualification motion and issues raised in post-hearing trial briefs. At the conclusion of these hearings, the Court reiterated its denial of the Company's request for a temporary stay.

On October 28, 2025, the Company filed a Petition for Writ of Mandamus with the U.S. Court of Appeals for the Third Circuit seeking an order requiring the Court to stay further consideration of the merits of the Sale Process until final resolution of the Company's motion to disqualify the District Court Judge, the Special Master, and the Special Master's advisors - the law firm of Weil, Gotshal & Manges LLP ("Weil") and Evercore Inc. ("Evercore"). The Company and other parties also filed their post-trial reply briefs with the Court. The Court issued guidance stating that it expected to rule on the motions to disqualify on or before November 20, 2025, and that it expected to rule on the objections to the Updated Final Recommendation of the Amber Energy Bid on or before November 30, 2025.

On November 7, 2025, the Company filed a complaint in the Court of Chancery of the State of Delaware asserting that Rusoro Mining Ltd. ("Rusoro") breached its contractual obligations under the consortium agreement entered into with the Company in connection with Sale Process in Delaware. The Company is seeking preliminary injunctive relief to enjoin Rusoro from participating in the Sale Process, among other forms of relief.

On November 13, 2025, the Court denied the Company's motion to disqualify the Special Master overseeing the Citgo Sale Process, his advisors - Weil and Evercore as well as the District Court Judge. On November 18, 2025, the Company's Petition for Writ of Mandamus and request for oral argument were denied by the U.S. Court of Appeals for the Third Circuit. On November 25, 2025, the Court issued an Order and Opinion adopting the recommendation of the Special

Master that the PDVH shares should be sold to Amber Energy. On November 29, 2025, the Court issued the final order authorizing the sale of the PDVH shares to Amber Energy. The Court also ordered that the closing of the sale is stayed until, at the earliest, seven days after the Special Master files a notice indicating that Amber Energy has obtained all OFAC and other regulatory and necessary approvals and that the sale is ready to close.

On December 1, 2025, the Company filed a notice of appeal to the Third Circuit from the final sale order entered by the Court, that authorized the sale of the PDVH shares to Amber Energy. On December 8, 2025, the Company filed a Statement in support of a pending motion to stay the recent Court Order authorizing the sale of the PDVH Shares to Amber Energy. The stay was filed by the Venezuela Parties in the proceedings. On December 19, 2025, the Delaware Court granted in part and denied in part the Company's request that Amber Energy be ordered to file public notices on the docket when it receives either approval or denial of a regulatory application, with the Court ordering Amber Energy to file notification of any such regulatory approvals.

On January 8, 2026, the Company filed its opening appeal brief with the Third Circuit in connection with the proposed judicial sale of PDVH shares to Amber Energy.

On February 2, 2026, the Company filed an Opposition to Rusoro's Motion to Dismiss in its proceedings in the Court of Chancery. Briefing in connection with the Motion to Dismiss is now complete and a hearing date of June 4, 2026 has been set by the Court of Chancery.

On February 9, 2026, the Delaware Court upheld the objections filed by the Company and the Venezuela Parties and denied the Special Master's request that the Company and the Venezuela Parties should pay in equal shares the over $3 million in expenses that the Special Master incurred in connection with the disqualification motions.

On March 2, 2026, the Company filed its Reply Brief with the Third Circuit. Briefing in connection with the appeal is now complete and the Third Circuit has set August 10, 2026 for oral argument on the merits.

On March 10, 2026, the Delaware Court overruled the Company's objections to the $15+ million amount of legal fees and expenses claimed by the Special Master for the period of September – November 2025, and ordered that such fees and expenses should be paid per capita by the Sale Process Parties and Additional Judgment Creditors, including the Company, within 30 days.

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. On November 25, 2025, the Company received notice that the arbitration tribunal awarded a total of $28,982,568.70, inclusive of pre-award interest, plus costs in the amount of €434,000 and post-award interest at the 12-month SOFR + 2% from date of the Final Award until full payment. The Company is attempting to recover the amounts awarded in the Final Award in its ongoing recognition and enforcement proceedings pending in the courts of Portugal and no assurances can be made that it will be successful.

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. The Company is now engaged in efforts to effect service in these new legal actions. The Company also is taking actions to monitor other legal actions filed by other creditors in Lisbon. 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.

Starting on January 29, 2026, the U.S. government has been relaxing certain aspects of U.S. sanctions targeting the Venezuelan gold, oil, and gas sectors. With respect to the Venezuelan gold sector, the U.S. government issued a general license on March 6, 2026 that authorizes imports of Venezuelan gold into the United States, the refining of such gold in the United States, and the resale and reexportation of such gold, subject to certain conditions and restrictions. This general license does not authorize U.S. Persons to be involved in the resolution of the Settlement Agreement and dealing with Venezuelan government officials on this matter nor does it authorize U.S. Persons to be involved in the Siembra Minera Project. At this time, these changes do not affect the impact of the Sanctions on the Company.

Exploration Prospect

LMS Gold Project

On March 1, 2016, we completed the acquisition of certain wholly-owned mining claims known as the LMS Gold Project (the "LMS Property"), together with certain personal property for $350,000, pursuant to a Purchase and Sale Agreement with Raven Gold Alaska Inc. ("Raven"), a wholly-owned subsidiary of Corvus Gold Inc. Raven retains Net Smelter Returns ("NSRs") with respect to (i) "Precious Metals" produced and recovered from the LMS Property equal to 3% of NSRs on such metals (the "Precious Metals Royalty") and (ii) "Base Metals" produced and recovered from the LMS Property equal to 1% of NSRs on such metals, however we have the option, for a period of 20 years from the date of closing of the acquisition, to buy back a one-third interest (i.e. 1 %) in the Precious Metals Royalty at a price of $4 million. In 2019 Raven assigned the NSRs to Bronco Creek Exploration, Inc. The LMS Property, located in Alaska, remains at an early stage of exploration with limited annual on-site activities being conducted by the Company.

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

Pursuant to a 2012 restructuring of convertible notes, we issued Contingent Value Rights ("CVRs") that entitle the holders to an aggregate of 5.466% of certain proceeds from Venezuela associated with the collection of the Award and/or sale of Mining Data or an Enterprise Sale, as such terms are defined in the CVRs (the "Proceeds"), less amounts for certain specified obligations (as defined in the CVR), as well as a bonus plan as described below. As of December 31, 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. In February 2026, the Company offered CVR holders the opportunity to settle all or a portion of their respective entitlements in exchange for a cash payment (the "CVR Settlement Offers"). The CVR Settlement Offers remained open for acceptance until March 9, 2026. Pursuant to the CVR Settlement Offers accepted by certain CVR holders, the Company paid an aggregate of $2.8 million to settle approximately 28% of its outstanding contingent obligations under the CVRs.

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

Participation in the Bonus Plan by existing participants is fixed, subject to voluntary termination of employment or termination for cause. Participants who reach age 65 and retire are fully vested and continue to participate in future distributions under the Bonus Plan. As of December 31, 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. In February 2026, the Company offered Bonus Plan participants the opportunity to settle all or a portion of their respective entitlements in exchange for a cash payment (the "Bonus Plan Settlement Offers"). The Bonus Plan Settlement Offers remained open for acceptance until March 9, 2026. Pursuant to the Bonus Plan Settlement Offers accepted by certain Bonus Plan participants, the Company paid an aggregate of $2.1 million to settle approximately 20% of its outstanding contingent obligations under the Bonus Plan.

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 were 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 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. In August 2025, the Special Master selected another bidder, Amber Energy, as the updated final recommended bidder. In November 2025, the Court adopted the recommendation of the Special Master that the PDVH shares should be sold to Amber Energy. In October 2025, the Company filed a motion to disqualify the Special Master, two of his professional advisors and the district court judge which was denied. Further information about the Delaware Proceedings is described above in the section entitled, "Legal Matters".

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 year ended December 31, 2025, no adjustments were made to the gross uncertain tax position. As of December 31, 2025, the Company has a gross uncertain tax position of $16.0 million plus accrued interest of $3.7 million in relation to this matter.

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

CRA Audit

Prior to the Company's September 30, 2024 continuance to Bermuda, it was domiciled in Alberta, Canada. Canada Revenue Agency (CRA) examined the Company's 2018 and 2019 international transactions and in November 2024, proposed a reassessment in respect of the 2014, 2016, 2017 and 2018 taxation years. In January 2025, the Company responded to the CRA's proposal, 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. In November 2025, CRA completed its audit of the Company's international transactions. The audit did not result in any net adjustments to the Company's Canadian tax filings for any of the years under review.

In January 2026, the CRA initiated a new audit of the Company's 2021 through 2024 taxation years. In March 2026, the Company responded to CRA's initial information and document request in respect of this audit. The Company has not recorded any amount related to this matter in its financial statements as of and for the year ended 31 December 2025.

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

Liquidity and Capital Resources

At December 31, 2025, we had cash and cash equivalents of approximately $68.9 million which represents an increase from December 31, 2024 of approximately $26.1 million. The net increase was primarily due to cash provided by investing and financing activities partially offset by cash used by operating activities as more fully described below.

	2025	Change	2024
Cash and cash equivalents	$ 68,927,227	$ 26,103,490	$ 42,823,737

As of December 31, 2025, we had financial resources including cash, cash equivalents, term deposits and marketable securities totaling approximately $78.0 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 $18.8 million.

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, an increase in activities related to Siembra Minera or an increase in legal expenses related to enforcement and collection of our Award, among other things, could result in a higher cash burn-rate requiring us to seek additional sources of funding to ensure our ability to continue our business in the normal course. We may need to rely on additional capital raises in the future.

Operating Activities

Cash flow used in operating activities for the years ended December 31, 2025 and 2024 was approximately $29.9 million and $12.1 million, respectively. Cash flow used in operating activities consists of net loss adjusted for unrealized gains and losses on marketable securities, non-cash interest income, non-cash expense items primarily related to stock option compensation and depreciation and certain non-cash changes in working capital.

Cash flow used in operating activities during the year ended December 31, 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 the legal proceedings in Delaware as further described herein.

Investing Activities

	2025	Change	2024
Purchase of property, plant and equipment	$ (2,955)	$ (2,955)	$ –
Purchase of property, plant and equipment – ROU asset	(105,000)	(105,000)	–
Proceeds from disposition of property, plant and equipment	4,948	4,948	–
Purchase of term deposits	(27,929,537)	15,644,504	(43,574,041)
Proceeds from maturity of term deposits	55,397,379	15,318,465	40,078,914
	$ 27,364,835	$ 30,859,962	$ (3,495,127)

Cash flows provided by investing activities increased during the year ended December 31, 2025 primarily due to an increase in the net purchases and maturities of term deposits.

Financing Activities

	2025	Change	2024
Proceeds from private placement of common shares	$ 30,000,250	$ (20,999,753)	$ 51,000,003
Proceeds from exercise of stock options	–	(921,850)	921,850
Financing fees	(1,434,517)	643,939	(2,078,456)
Repayment of leasing liabilities	(60,000)	(60,000)	–
Return of capital funds	179,323	179,323	–
	$ 28,685,056	$ (21,158,341)	$ 49,843,397

Cash flows provided by financing activities decreased during the year ended December 31, 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 audited consolidated financial statements, the Company is obligated to make payments under the Bonus Plan and CVR agreements based on the after-tax amounts received from Venezuela under the Settlement Agreement and/or Award.

The Company maintains change of control agreements with an officer and a consultant as described in Note 12 to the interim consolidated financial statements. As of December 31, 2025, the amount payable to participants under the change of control agreements, in the event of a Change of Control, was approximately $2.0 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 December 31, 2025, the remaining fees payable under these consulting agreements total $462,239 in 2026 and $331,607 in 2027.

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 believed those fees were not payable. However, in an effort to maintain strong relationships with its financial partners, the Company reached an agreement under which, in December 2025, it paid approximately $4.5 million in settlement of the loan commitment fees requested by the banks and agreed to pay approximately $1.8 million in settlement of other related fees prior to June 30, 2026. Additionally, the Company agreed to pay the banks a portion of certain funds that may be payable to the Company in the event of a sale of the PDVH shares to Amber Energy.

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 $344,000 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 February 2026, the Company closed a private placement of shares for gross proceeds of $75.0 million. Pursuant to the private placement, the Company issued 24,999,999 common shares at a price per share of $3.00. 5.75 million of the shares were purchased by related parties for $17.25 million. In connection with the offering, the Company incurred costs of approximately $3.0 million for net proceeds of approximately $72.0 million.

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 connection with the offering, the Company incurred costs of approximately $1.4 million for net proceeds of approximately $28.6 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 $1.3 million for net proceeds of approximately $34.7 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 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.

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 years ended December 31, 2025 and 2024 were as follows:

	2025	Change	2024
Income (loss)	$ 3,453,776	$ 346,678	$ 3,107,098
Expenses	(36,731,754)	(19,347,634)	(17,384,120)
Net loss before income tax expense	$ (33,277,978)	$ (19,000,956)	$ (14,277,022)
Income tax expense	(997,316)	(85,355)	(911,961)
Net loss and comprehensive loss for the year	$ (34,275,294)	$ (19,086,311)	$ (15,188,983)

Income (Loss)

	2025	Change	2024
Interest income	$ 3,209,890	$ 288,741	$ 2,921,149
Unrealized gain on equity securities	272,478	23,909	248,569
Foreign currency loss	(28,592)	34,028	(62,620)
	$ 3,453,776	$ 346,678	$ 3,107,098

As the Company has no commercial production or source of operating cash flow at this time, income is often variable from period to period. For the year ended December 31, 2025, income increased from the prior comparable period primarily as a result of an increase in interest income, unrealized gain on marketable equity securities and a decrease in foreign currency loss.

Expenses

	2025	Change	2024
Corporate general and administrative	$ 6,808,712	$ (1,298,207)	$ 8,106,919
Legal and accounting	3,376,543	(439,367)	3,815,910
Enforcement of Arbitral Award	26,462,846	21,062,673	5,400,173
Exploration costs	64,739	3,621	61,118
Right of use asset interest expense	18,914	18,914	–
Total expenses for the period	$ 36,731,754	$ 19,347,634	$ 17,384,120

Corporate general and administrative expense for the year ended December 31, 2025, decreased primarily due to a decrease in severance accruals and a reduction in costs associated with the Q2 2024 cybersecurity incident. 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. As described more fully in the Legal Matters section above, the Company submitted a bid and was originally selected as the final recommended bidder in the Delaware proceedings Sale Process related to PDVH. Subsequently, the Company was supplanted as the final recommended bidder and filed an appeal which is ongoing. Overall, total expenses for the year ended December 31, 2025 increased by approximately $19.3 million, from the comparable period in 2024.

Summary of Quarterly Results (1)

Quarter ended	12/31/25	9/30/25	6/30/25	3/31/25	12/31/24	9/30/24	6/30/24	3/31/24
Income (loss)	$233,836	$1,221,849	$1,140,207	$857,884	$8,215	$962,142	$743,753	$1,392,988
Net loss								
before tax	(12,076,659)	(9,030,682)	(3,772,191)	(8,398,446)	(6,226,458)	(2,891,228)	(3,959,352)	(1,199,984)
Per share	(0.10)	(0.08)	(0.03)	(0.07)	(0.06)	(0.03)	(0.04)	(0.01)
Fully diluted	(0.10)	(0.08)	(0.03)	(0.07)	(0.06)	(0.03)	(0.04)	(0.01)
Net loss	(12,336,537)	(9,284,746)	(4,017,902)	(8,636,109)	(6,490,088)	(3,145,554)	(4,158,314)	(1,395,027)
Per share	(0.10)	(0.08)	(0.04)	(0.08)	(0.06)	(0.03)	(0.04)	(0.01)
Fully diluted	(0.10)	(0.08)	(0.04)	(0.08)	(0.06)	(0.03)	(0.04)	(0.01)

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

In the fourth quarter of 2025, income decreased due to an unrealized loss on equity securities. In the first three 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 third and fourth quarters of 2025, net loss increased primary as a result of an increase in legal costs of enforcement of the Arbitral Award. 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.

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

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.

Paul Rivett, our current Chief Executive Officer, provides his services and is paid his cash compensation for services rendered to the Company through a related-party services company. Mr. Rivett's fees were $635,218 in 2025 and $133,875 in 2024.

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, were $150,000 in 2023, $112,500 in 2024 and $90,000 in 2025.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

We are authorized to issue 500,000,000 Common Shares with a par value of US$0.01 of which 122,714,914 Common Shares were issued and outstanding as of December 31, 2025 and 147,719,913 were issued and outstanding as of March 19, 2026.

Share Purchase Options

We maintain the 2012 Equity Incentive Plan (the "2012 Plan") which provides for the grant of stock options on up to 14,932,307 Common Shares. As of December 31, 2025, 11,617,392 of those options were outstanding and 3,012,415 options were available for grant. As of March 19, 2026, 13,287,392 options were outstanding and 1,337,415 options were available for grant.

Capital Structure

The following summarizes our share capital structure.

	December 31, 2025	March 19, 2026
Common Shares outstanding	122,714,914	147,719,913
Shares issuable pursuant to the 2012 Equity Incentive Plan	11,617,392	13,287,392
Total shares outstanding, fully diluted	134,332,306	161,007,305

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Gold Reserve Ltd. (the "Company") as of December 31, 2025, December 31, 2024, and January 1, 2024, the related consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, December 31, 2024 and January 1, 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

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

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

Emphasis of Matter – First-time Adoption of IFRS

We draw attention to Note 3 to the financial statements, which describes the transition to IFRS and explains the impact of first-time adoption from US GAAP to IFRS. The Company adopted IFRS for the first time in the current year and has applied IFRS 1, *First-time Adoption of International Financial Reporting Standards*, in preparing these financial statements. Our opinion is not modified in respect of this matter.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

s/*CBIZ CPAs P.C.*

CBIZ CPAs P.C.

We have served as the Company's auditor since 2024

Houston, Texas
March 19, 2026

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

	31 December 2025	31 December 2024	1 January 2024
ASSETS			
Current Assets:			
Cash and cash equivalents (Note 6)	$ 68,927,227	$ 42,823,737	$ 8,529,162
Term deposits (Note 7)	7,403,956	34,171,941	29,361,215
Marketable equity securities (Note 8)	1,696,939	1,424,461	1,175,892
Prepaid expense and other	239,469	257,735	289,488
Total current assets	78,267,591	78,677,874	39,355,757
Property, plant and equipment, net (Note 9)	354,160	364,925	384,390
Right of use asset, net (Note 10)	208,342	–	–
Total assets	$ 78,830,093	$ 79,042,799	$ 39,740,147
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	$ 6,970,288	$ 2,323,863	$ 713,485
Income tax payable (Note 13)	11,617,056	10,619,740	9,707,779
Severance accrual (Note 16)	–	1,000,000	743,511
Current lease liabilities	166,469	–	–
Total current liabilities	18,753,813	13,943,603	11,164,775
Long-term lease liabilities	14,840	–	–
Total liabilities	18,768,653	13,943,603	11,164,775
SHAREHOLDERS' EQUITY			
Serial preferred stock, without par value			
Authorized: 31/12/2025 & 31/12/2024…None; 01/01/2024….Unlimited			
Issued: None			
Common shares (Note 14 and 15)	1,227,149	1,130,374	302,681,173
Par value: 31/12/2025 & 31/12/2024…$0.01; 01/01/2024…None			
Authorized: 31/12/2025 & 31/12/2024…500,000,000; 01/01/2024…Unlimited			
Issued and outstanding: 31/12/2025 - 122,714,914; 31/12/2024 - 113,037,414; 01/01/2024 - 99,548,711			
Common Share Premium (Note 15)	380,373,341	351,725,060	–
Contributed surplus	20,625,372	20,625,372	20,625,372
Stock options (Note 12)	25,692,618	25,200,136	23,661,590
Accumulated deficit	(367,857,040)	(333,581,746)	(318,392,763)
Total shareholders' equity	60,061,440	65,099,196	28,575,372
Total liabilities and shareholders' equity	$ 78,830,093	$ 79,042,799	$ 39,740,147

Commitments and Contingencies (Note 5, 13, 14 and 17)
Subsequent Events (Note 18)

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

Approved by the Board of Directors:

/s/ Jonathan Howes /s/ James P. Tunkey

GOLD RESERVE LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in U.S. dollars)

	For the Years Ended 31 December,	
	2025	**2024**
INCOME (LOSS)		
Interest income	$ 3,209,890	$ 2,921,149
Unrealized gain on equity securities (Note 8)	272,478	248,569
Foreign currency loss	(28,592)	(62,620)
	3,453,776	3,107,098
EXPENSES		
Corporate general and administrative (Notes 12 and 16)	6,808,712	8,106,919
Legal and accounting	3,376,543	3,815,910
Enforcement of Arbitral Award (Note 5)	26,462,846	5,400,173
Exploration costs	64,739	61,118
Right of use asset interest expense (Note 10)	18,914	–
	36,731,754	17,384,120
Net loss before income tax expense	(33,277,978)	(14,277,022)
Income tax expense (Note 13)	(997,316)	(911,961)
Net loss and comprehensive loss for the period	$ (34,275,294)	$ (15,188,983)
Net loss per share, basic and diluted	$ (0.29)	$ (0.14)
Weighted average common shares outstanding, basic and diluted	117,120,524	106,557,902

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

GOLD RESERVE LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years Ended 31 December 2025 and 2024

(Expressed in U.S. dollars)

	Common Shares					
	Number	Amount	Premium	Contributed Surplus	Stock Options	Accumulated Deficit
Balance, 31 December 2023	99,548,711	$302,681,173	$ –	$20,625,372	$ 23,661,590	$ (318,392,763)
Net loss for the year	–	–	–	–	–	(15,188,983)
Stock option compensation (Note 12)	–	–	–	–	1,869,410	–
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	–	–	–
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 year	–	–	–	–	–	(34,275,294)
Stock option compensation (Note 12)	–	–	–	–	492,482	–
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	–	–	–
Balance, 31 December 2025	122,714,914	$ 1,227,149	$380,373,341	$20,625,372	$ 25,692,618	$ (367,857,040)

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

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

	For the Years Ended 31 December	
	2025	**2024**
Cash Flows from Operating Activities:		
Net loss for the year	$ (34,275,294)	$ (15,188,983)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock option compensation (Note 12)	492,482	1,869,410
Depreciation and amortization	125,326	14,695
Right of use asset interest expense (Note 10)	18,914	–
Unrealized gain on marketable equity securities (Note 8)	(272,478)	(248,569)
Loss on disposition of property, plant and equipment	2,499	4,770
Amortized interest on term deposits (Note 7)	(699,857)	(1,315,599)
Changes in non-cash working capital:		
Increase in income tax payable (Note 13)	997,316	911,961
Increase (decrease) in severance accrual (Note 16)	(1,000,000)	256,489
Net decrease in prepaid expense and other	18,266	31,753
Net increase in payables and accrued expenses	4,646,425	1,610,378
Net cash used in operating activities	(29,946,401)	(12,053,695)
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(2,955)	–
Purchase of property, plant and equipment – ROU asset	(105,000)	–
Proceeds from disposition of property, plant and equipment	4,948	–
Purchase of term deposits	(27,929,537)	(43,574,041)
Proceeds from maturity of term deposits	55,397,379	40,078,914
Net cash provided by (used in) investing activities	27,364,835	(3,495,127)
Cash Flows from Financing Activities:		
Proceeds from private placement of common shares	30,000,250	51,000,003
Proceeds from exercise of stock options	–	921,850
Financing fees	(1,434,517)	(2,078,456)
Repayment of leasing liabilities (Note 10)	(60,000)	–
Return of capital funds	179,323	–
Net cash provided by financing activities	28,685,056	49,843,397
Change in Cash and Cash Equivalents:		
Net increase in cash and cash equivalents	26,103,490	34,294,575
Cash and cash equivalents - beginning of year	42,823,737	8,529,162
Cash and cash equivalents - end of year	$ 68,927,227	$ 42,823,737
Supplemental Schedule of Non-Cash Investing and Financing Activities:		
Right of use asset funded by lease liabilities	$ 222,395	$ –

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

Note 1. The Company and Significant Accounting Policies:

Gold Reserve Ltd. ("Gold Reserve," the "Company," "we," "us," or "our") has historically been engaged in the business of evaluating, acquiring, exploring and developing mining projects and was incorporated in 1998 under the laws of the Yukon Territory, Canada and continued to Alberta, Canada in September 2014. On 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 year ended 31 December 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).

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.

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 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 31 December 2025, together with the comparative period data for 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 year 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

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*: quoted 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 accrued as of that date) 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. During the years ended 31 December 2025 and 2024, the Company incurred $26.5 million and $5.4 million in costs related to the enforcement of the Arbitral Award.

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 31 December 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 31 December 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 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 31 December 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. In February 2026, the Company offered CVR holders the opportunity to settle all or a portion of their respective entitlements in exchange for a cash payment. (See Note 18)

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 31 December 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. In February 2026, the Company offered Bonus Plan participants the opportunity to settle all or a portion of their respective entitlements in exchange for a cash payment. (See Note 18)

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:

	31 December 2025	31 December 2024	1 January 2024
Bank deposits	$ 38,984,457	$ 370,216	$ 455,057
Short-term investments:			
Money market funds	19,486,741	29,500,744	2,392,402
U.S. Treasury bills	10,456,029	12,952,777	5,681,703
Total short-term investments	29,942,770	42,453,521	8,074,105
Total cash and cash equivalents	$ 68,927,227	$ 42,823,737	$ 8,529,162

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.

Note 7. Term Deposits:

	31 December 2025	31 December 2024	1 January 2024
U.S. Treasury Bills	$ 7,403,956	$ 29,900,100	$ 25,407,439
Certificates of deposit	–	4,271,841	3,953,776
	$ 7,403,956	$ 34,171,941	$ 29,361,215

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 $699,857 and $1,315,599 for the years ended 31 December 2025 and 2024, respectively, related to the amortization of discount on term deposits.

Note 8. Marketable Securities:

	31 December 2025	31 December 2024
Equity securities		
Fair value and carrying value at beginning of year	$ 1,424,461	$ 1,175,892
Increase in fair value	272,478	248,569
Fair value and carrying value at balance sheet date	$ 1,696,939	$ 1,424,461

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
31 December 2025			
Furniture and office equipment	$ 33,449	$ (29,289)	$ 4,160
Mineral property	350,000	–	350,000
	$ 383,449	$ (29,289)	$ 354,160

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

	Cost	Accumulated Depreciation	Net
1 January 2024			
Furniture and office equipment	$ 423,813	$ (389,423)	$ 34,390
Transportation equipment	326,788	(326,788)	–
Leasehold improvements	29,390	(29,390)	–
Mineral property	350,000	–	350,000
	$ 1,129,991	$ (745,601)	$ 384,390

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 years ended 31 December 2025 and 2024. During the years ended 31 December 2025 and 2024, the Company recorded a loss of $2,499 and $4,770, respectively, on the disposal of property, plant and equipment. During the years ended 31 December 2025 and 2024, the Company recorded depreciation expense of $6,274 and $14,695, 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 31 December 2025, the remaining term of the lease is fourteen months. The information about the lease for which the Company is a lessee is presented below.

ROU Rollforward:

Balance at 31 December 2024	$ –
Additions	327,394
Depreciation	(119,052)
Impairment	–
Modifications to lease terms	–
Balance at 31 December 2025	$ 208,342

Lease Liability Rollforward:

Balance at 31 December 2024	$	–
Interest expense		18,914
Payments		(60,000)
Additions		222,395
Modifications to lease terms		–
Balance at 31 December 2025	$	181,309

The lease liability as of 31 December 2025 is reflected in the Consolidated Balance Sheet as follows:

Current lease liabilities	$	166,469
Long-term lease liabilities		14,840
Total lease liabilities	$	181,309

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 2025 and 2024 plan years were approximately $72,000 for both years.

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 31 December 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 years ended 31 December 2025 and 2024 are as follows:

	For the Years Ended 31 December			
	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	4,875,000	5.04
Options exercised	–	–	(422,500)	2.18
Options cancelled	(435,000)	2.60	(222,500)	2.80
Options outstanding - end of period	11,617,392	$ 3.25	11,952,392	$ 3.24

The following table relates to stock options at 31 December 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	$ 156,619	6.83	243,999	$1.04	$ 156,619	6.83
$1.60 - $1.60	2,863,750	$1.60	243,419	5.76	2,863,750	$1.60	243,419	5.76
$1.61 - $1.93	945,000	$1.70	27,675	6.17	945,000	$1.70	27,675	6.17
$2.35 - $2.52	4,124,643	$2.38	-	2.01	4,124,643	$2.38	-	2.01
$3.15 - $3.28	390,000	$3.24	-	5.05	390,000	$3.24	-	5.05
$4.48 - $7.00	3,050,000	$6.63	-	3.42	3,050,000	$6.63	-	3.42
$0.99 - $7.00	11,617,392	$3.25	$ 427,713	3.85	11,617,392	$3.25	$ 427,713	3.85

The Company granted 100,000 and 4,875,000 stock options, during the years ended 31 December 2025 and 2024, respectively. The Company recorded non-cash compensation during the years ended 31 December 2025 and 2024 of $492,482 and $1,869,410, respectively, for stock options granted in the current and prior periods. The weighted average grant date fair value of unvested options was Nil and $0.28 as of 31 December 2025 and 2024, respectively. There was no remaining unamortized stock option compensation expense as of 31 December 2025.

The weighted average fair value of the options granted during the years ended 31 December 2025 and 2024 was calculated as $0.85 and $0.47 respectively. The fair value of options granted during the years ended 31 December 2025 and 2024 was determined using the Black-Scholes model based on the following weighted average assumptions:

	For the Years Ended 31 December	
	2025	2024
Risk free interest rate	4.04%	4.65%
Expected term	3 years	1.9 years
Expected volatility	71%	51%
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 31 December 2025, the amount payable to participants under the change of control agreements, in the event of a Change of Control, was approximately $2.0 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 years ended 31 December 2025 and 2024 differs from the amount that would result from applying Bermuda tax rates to net loss before taxes. These differences result from the items noted below:

	For the Years Ended 31 December			
	2025		2024	
	Amount	%	Amount	%
Income tax benefit based on statutory tax rates	$ –	–	$ –	–
Difference due to:				
Different tax rates in foreign jurisdictions	279,572	–	2,649,839	19
Non-deductible expenses	(104,917)	–	(528,688)	(4)
Discontinuance from Canada	–	–	(14,087,523)	(99)
Change in valuation allowance and other	(174,655)	–	41,049,361	288
Derecognition of Canadian NOLs	–	–	(29,082,989)	(204)
Interest on income tax payable	(997,316)	(3)	(911,961)	(6)
Income tax expense	$ (997,316)	(3)	$ (911,961)	(6)

The Company recorded income tax expense of $997,316 and $911,961 for the years ended 31 December 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.

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 year ended 31 December 2025, no adjustments were made to the gross uncertain tax position. As of 31 December 2025, the Company has a gross uncertain tax position of $16.0 million plus accrued interest of $3.7 million in relation to this matter.

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

Canada Revenue Agency (CRA) examined the Company's 2018 and 2019 international transactions and in November 2024, proposed a reassessment in respect of the 2014, 2016, 2017 and 2018 taxation years. In January 2025, the Company responded to the CRA's proposal, 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. In November 2025, CRA completed its audit of the Company's international transactions. The audit did not result in any net adjustments to the Company's Canadian tax filings for any of the years under review.

In January 2026, the CRA initiated a new audit of the Company's 2021 through 2024 taxation years. In March 2026, the Company responded to CRA's initial information and document request in respect of this audit. The Company has not recorded any amount related to this matter in its financial statements as of and for the year ended 31 December 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:

	31 December 2025	31 December 2024	1 January 2024
Total amount of gross unrecognized tax benefits at beginning of year	$ 16,046,894	$ 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	$ 16,046,894	$ 16,046,894	$ 16,046,894

At 31 December 2025 and 2024, the amount of unrecognized tax benefits, inclusive of interest that, if recognized, would impact the Company's effective tax rate were $19,708,160 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 31 December 2025 and 2024 were as follows:

	31 December 2025	31 December 2024	1 January 2024
Deferred income tax assets			
Net operating loss carry-forwards	$ 1,493,840	$ 1,368,115	$ 43,223,586
Property, Plant and Equipment	(251)	(2,279)	(3,410)
Other	132,759	133,393	1,615,179
	1,626,348	1,499,229	44,835,355
Valuation allowance	(1,279,856)	(1,209,958)	(44,598,283)
	$ 346,492	$ 289,271	$ 237,072
Deferred income tax liabilities			
Other	(346,492)	(289,271)	(237,072)
Net deferred income tax asset	$ –	$ –	$ –

At 31 December 2025, the Company's U.S. subsidiary had a $7.1 million U.S. tax loss carry forward, which can be carried forward indefinitely, but is limited to 80% of taxable income.

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

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.

Paul Rivett, our current Chief Executive Officer, provides his services and is paid his cash compensation for services rendered to the Company through a related-party services company. Mr. Rivett's fees were $635,218 in 2025 and $133,875 in 2024.

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 former 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, were $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 believed those fees were not payable. However, in an effort to maintain strong relationships with its financial partners, the Company reached an agreement under which, in December 2025, it paid approximately $4.5 million in settlement of the loan commitment fees requested by the banks and agreed to pay approximately $1.8 million in settlement of other related fees prior to June 30, 2026, which has been accrued as of 31 December 2025. Additionally, the Company agreed to pay the banks a portion of certain funds that will or may be owed to the Company in the event of a sale of the PDVH shares to Amber Energy.

Note 18. Subsequent Events:

In January 2026, the Company granted a total of 1,525,000 stock options to directors, officers, employees and certain key consultants of the Company. The Options are exercisable for a period of five years at an exercise price of US$3.64 per share.

In February 2026, the Company closed a private placement of shares for gross proceeds of $75.0 million. Pursuant to the private placement, the Company issued 24,999,999 common shares at a price per share of $3.00. 5.75 million of the shares were purchased by related parties for $17.25 million. In connection with the offering, the Company incurred costs of approximately $3.0 million for net proceeds of approximately $72.0 million.

In February 2026, the Company offered all Bonus Plan participants and CVR holders the opportunity to settle all or a portion of their respective entitlements in exchange for a cash payment (the "Settlement Offers"). The Settlement Offers remained open for acceptance until March 9, 2026. Pursuant to the Settlement Offers accepted by Bonus Plan participants and CVR holders, the Company paid an aggregate of $4.86 million to settle both (a) approximately 20% of its outstanding contingent obligations under the Bonus Plan and (b) approximately 28% of its outstanding contingent obligations under the CVRs.

CORPORATE INFORMATION

Officers and Directors

James Michael Johnston
Chairman and Director

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

Vic Bertrand
Executive Vice-President and Chief Development Officer

David P. Onzay
Chief Financial Officer

Sai Ahmed
Chief Operating Officer

Mackenzie Clark
Chief Legal Officer

Yves M. Gagnon
Director

James P. Tunkey
Director

Jonathan P. Howes
Director

William C. DeSilva, Jr
Director

George E. Thomas, Jr
Director

Share Information

Common Shares Issued September 21, 2026

Common Shares - 148,068,153

Purchase Options - 13,139,152

Securities Listing/Quote

Canada– The TSX Venture Exchange:
GRZ.V

United States– OTCQX:
GDRZF

Bermuda- Bermuda Stock Exchange
GRZ.BH

Transfer Agent

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

Office

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

Annual Meeting

The 2026 Annual Meeting will be held at 9:00 a.m. Atlantic Standard Time on November 5, 2026

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

Auditor

CBIZ CPAs P.C.
Houston, Texas, USA

Counsel

Carey Olsen
Hamilton, Bermuda


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