

**Form 51-102F3
Material Change Report**

**MATERIAL CHANGE REPORT UNDER SECTION 7.1(1) OF
NATIONAL INSTRUMENT 51-102**

1. Name and Address of Company

Gold Reserve Inc. ("**Gold Reserve**" or the "**Company**")
999 W. Riverside Avenue, Suite 401
Spokane, Washington 99201

2. Date of Material Change

July 14, 2017

3. News Release

A news release announcing the material change described herein was issued through CNW Group at Spokane, Washington and filed on SEDAR on July 18, 2017.

4. Summary of Material Change

The Company announced that on July 14, 2017 it completed its previously announced redemption of a portion of its outstanding senior notes which, together with the conversion of senior notes at the election of certain noteholders, has resulted in the Company reducing its outstanding debt by approximately US \$28.3 million.

5. Full Description of Material Change

5.1 Full Description of Material Change

In connection with the partial redemption, the Company redeemed approximately US \$21.1 million in aggregate principal amount of its outstanding senior notes, comprising approximately US \$16.6 million of its 11% Senior Secured Convertible Notes due 2018 (the "Convertible Notes") and approximately US \$4.5 million of its 11% Senior Secured Interest Notes due 2018 (the "Interest Notes" and together with the Convertible Notes, the "Notes"). In addition, certain noteholders, at their election, have converted approximately US \$7.2 million aggregate principal amount of Notes (including \$6.6 million aggregate principal amount of Notes converted at the election of certain noteholders in lieu of the redemption of such Notes).

The Notes were redeemed for cash at a redemption price of 120% of the outstanding principal amount of the redeemed notes plus accrued interest to the redemption date. Accordingly, the total redemption price paid by the Company included approximately US \$4.0 million related to the redemption premium and accrued and unpaid interest on the Notes. The redemption was made pursuant to the indenture governing the Notes and the terms of the notice of redemption.

Following the redemption and Note conversions described above, the Company has US \$25.9 million and US \$4.9 million of Convertible Notes and Interest Notes outstanding, respectively, for a combined total of approximately US \$30.8 million. The Company issued approximately 2.4 million additional Class A common shares in connection with the conversions described above, resulting in approximately 92.3 million shares outstanding. In the event the remaining outstanding Convertible Notes are converted to Class A common shares, the Company would have approximately 100.9 million shares issued and outstanding.

Gold Reserve intends to apply the proceeds of additional payments received pursuant to its Settlement Agreement with the Bolivarian Republic of Venezuela (“Venezuela”), net of applicable taxes, to redeem the remaining outstanding Notes in accordance with the requirements of the indenture, including the proceeds of the installment payment that the Company announced it had received on July 11, 2017.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable.

7. Omitted Information

Not Applicable.

8. Executive Officer

A. Douglas Belanger
President
(509) 623-1500

9. Date of Report

July 24, 2017

This material change report contains “forward-looking statements” within the meaning of applicable U.S. federal securities laws and “forward-looking information” within the meaning of applicable Canadian provincial and territorial securities laws and state Gold Reserve’s and its management’s intentions, hopes, beliefs, expectations or predictions for the future including without limitation statements with respect to the payments contemplated by the Settlement Agreement and Gold Reserve’s redemption of additional Notes following receipt of such payments. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies

We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause the actual outcomes, financial results, performance, or achievements of Gold Reserve to be materially different from our estimated outcomes, future results, performance, or achievements expressed or implied

by those forward-looking statements, including without limitation Venezuela's ability to fund the contemplated payments to the Company pursuant to the Settlement Agreement.

Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to Gold Reserve or persons acting on its behalf are expressly qualified in their entirety by this notice. Gold Reserve disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to its disclosure obligations under applicable rules promulgated by the Securities and Exchange Commission and applicable Canadian provincial and territorial securities laws.

“Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.”