

GOLD RESERVE INC  
Form POS AM  
September 19, 2014

As filed with the Securities and Exchange Commission on September 19, 2014

Registration No. 333-195992

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**POST-EFFECTIVE AMENDMENT NO. 1**  
**TO**  
**FORM F-3**  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933  
**GOLD RESERVE INC.**

(Exact name of registrant as specified in its charter)

**Alberta, Canada**  
(State or other jurisdiction of  
incorporation or organization)

**N/A**  
(I.R.S. Employer  
Identification Number)

**926 W. Sprague Avenue, Suite 200**

**Spokane, Washington 99201**

**Tel: (509) 623-1500**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Rockne J. Timm**

**926 W. Sprague Avenue, Suite 200**

**Spokane, Washington 99201**

**Tel: (509) 623-1500**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With copies to:*

**Albert G. McGrath, Jr.  
Baker & McKenzie LLP  
2300 Trammell Crow Center  
2001 Ross Avenue  
Dallas, Texas 75201  
Tel: (214) 978-3028**

**Jonathan B. Newton  
Baker & McKenzie LLP  
700 Louisiana, Suite 3000  
Houston, Texas 77002  
Tel: (713) 427-5000**

**Approximate date of commencement of proposed sale to the public:** From time to time on or after the effective date of this registration statement

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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### EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to the Registration Statement on Form F-3 (File No. 333-195992) (as amended, this "Registration Statement") is being filed pursuant to Rule 414 of the Securities Act of 1933, as amended (the "Securities Act"), by Gold Reserve Inc., a public company organized under the laws of Alberta, Canada (the "Company"), to reflect a continuance of the Company under the *Business Corporations Act* (Alberta) (the "ABCA") whereby the legal domicile of the Company changed from the Yukon, Canada to Alberta, Canada, effective as of September 9, 2014 (the "Continuance"). The Continuance was effected through a continuance resolution, approved by the Company's shareholders on September 5, 2014, which authorized the Company to continue under the ABCA as if it had been incorporated under such statute. As a result of the Continuance, the Company continues as the same legal entity, other than its domicile has changed. In addition, following the Continuance, the Company continues its same business and operations and shareholders continue to hold the same number of Class A common shares, equity units (including Class B common shares) or other securities of the Company as they currently hold, with the same rights and obligations, as the case may be, attaching thereto, except that the Company is now organized in Alberta, Canada. Pursuant to Rule 414 of the Securities Act, the Company is a successor issuer and hereby expressly affirms that the Registration Statement continues to be its own for all purposes of the Securities Act and the Securities Exchange Act of 1934, as amended. Registration fees were originally paid at the time of filing of the original Registration Statement.

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**The information in this prospectus is not complete and may be changed. The Selling Shareholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED SEPTEMBER 19, 2014**

## PROSPECTUS

### GOLD RESERVE INC.

**Up to 11,707,979 Class A Common Shares**

**offered by the Selling Shareholder**

The selling shareholder named in the section "*Selling Shareholder*" (the "Selling Shareholder") may from time to time offer and sell, in one or more offerings, up to 11,707,979 Class A Common Shares, no par value per share ("Class A Common Shares"), of Gold Reserve Inc. (the "Company") held by the Selling Shareholder. The Class A Common Shares offered hereby (individually, or collectively, the "Securities") may be offered from time to time by the Selling Shareholder through ordinary brokerage transactions, in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices and in other ways as described in the "*Plan of Distribution*." The Securities explicitly do not include (i) any outstanding Class A Common Shares that are covered by the Company's registration statement filed with the U.S. Securities and Exchange Commission (the "SEC") on Form F-3 (File No. 333-186851) or (ii) any Class A Common Shares that may be issued to the Selling Shareholder upon the conversion of the Company's 11% Senior Subordinated Convertible Notes due 2015 (the "Modified Notes") that are covered by the Company's registration statement filed with the SEC on Form F-3 (File No. 333-197506).

We will not receive any of the proceeds from the resale of these Securities.

Our Class A Common Shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the symbol "GRZ.V" and trade on the OTCQB under the symbol "GDRZF." On September 18, 2014, the closing sale prices of the Class A Common Shares as reported by the TSXV and OTCQB were Cdn \$4.52 and \$4.10, respectively. Our Class A Common Shares have full voting, dividend and liquidation rights.

**An investment in the Securities is speculative and involves a high degree of risk. See "*Risk Factors*" beginning on page 10. You should read this document and the documents incorporated by reference into this prospectus before you invest.**

**Neither the SEC nor any state securities commission has approved or disapproved of these Securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The Securities are being offered to investors in the United States of America, other than in the states of Montana, New Hampshire and North Dakota and the District of Columbia.**

The date of this prospectus is \_\_\_\_\_, 2014.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-3 that we filed with the SEC with respect to the Securities which may be offered and sold from time to time in one or more offerings by the Selling Shareholder named in the section "*Selling Shareholder*."

This prospectus only provides you with a general description of the Securities that the Selling Shareholder may sell or offer. Each time the Selling Shareholder sells the Securities, if required, we will provide a prospectus supplement or amendment containing specific information about the offering. Any such prospectus supplement or amendment may include a discussion of any risk factors or other special considerations that apply to that offering. The prospectus supplement or amendment may also add, update or change the information in this prospectus or in the documents that we have incorporated into this prospectus by reference. To the extent that any statement made in a prospectus supplement or amendment conflicts with statements made in this prospectus, the statements made in the prospectus supplement or amendment will be deemed to modify or supersede those made in this prospectus.

The rules of the SEC allow us to incorporate by reference certain information into this prospectus. Before purchasing any of the Securities, you should carefully read this prospectus, especially the information discussed under "*Risk Factors*," and any prospectus supplement or amendment together with the additional information incorporated by reference herein. See "*Incorporation by Reference*" for a description of the documents from which information is incorporated and "*Where You Can Find More Information*" to learn how to obtain a copy of such documents.

**You should rely only upon the information contained in, or incorporated by reference into, this document. We have not, and the Selling Shareholder has not, authorized any other person to provide you with different information. No other person is authorized to give any information or to represent anything not contained or incorporated by reference in this prospectus. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the Securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information appearing in this document is accurate only as of the date on the front cover of this document. Our business, financial condition, results of operations and prospects may have changed since that date.**

Unless the context requires otherwise, reference in this prospectus to:

- "we," "us," "our," "Gold Reserve," the "registrant" or the "Company" refers to Gold Reserve Inc. and its subsidiaries
- "\$", "U.S. \$," or "U.S. dollars" in this document refer to U.S. dollars
- "Cdn\$" or "Canadian dollars" refer to Canadian dollars
- "Securities Act" refers to the U.S. Securities Act of 1933, as amended
- "Exchange Act" refers to the U.S. Securities Exchange Act of 1934, as amended

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information presented or incorporated by reference in this document contains both historical information and "forward-looking statements" (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) or "forward looking information" (within the meaning of applicable Canadian securities laws) (collectively referred to herein as "forward looking statements") that may state our intentions, hopes, beliefs, expectations or predictions for the future.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause our actual financial results, performance, or achievements to be materially different from those expressed or implied herein and many of which are outside our control. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: the arbitration proceedings under the Additional Facility Rules of the International Centre for Settlement of Investment Disputes ("ICSID"), against the Bolivarian Republic of Venezuela seeking compensation in the arbitration for all of the loss and damage resulting from Venezuela's wrongful conduct (Gold Reserve Inc. v. Bolivarian Republic of Venezuela (ICSID Case No. ARB(AF)/09/1)) (the "Brisas arbitration"), actions by the Venezuelan government, economic and industry conditions influencing the future sale of the Brisas Project (as defined herein) and the related equipment and conditions or events impacting our ability to fund our operations or service our debt.

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

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation:

- outcome of our arbitration against the Bolivarian Republic of Venezuela;
- continued servicing or restructuring of our notes, convertible notes or other obligations as they come due;
- prospects for exploration and development of other mining projects by us;
- equity dilution resulting from the conversion of the convertible notes in part or in whole to Class A Common Shares;
- value, if any, realized from the disposition of the remaining Brisas Project related assets;
- ability to maintain continued listing on the TSXV or continued trading on the OTCQB;

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- competition with companies that are not subject to, or do not follow, Canadian and U.S. laws and regulations;
- corruption, uncertain legal enforcement and political and social instability;
- our current liquidity and capital resources and access to additional funding in the future if required;
- regulatory, political and economic risks associated with foreign jurisdictions including changes in laws and legal regimes;
- currency, metal prices and metal production volatility;
- adverse U.S., Canadian and/or Mexican tax consequences;

- abilities and continued participation of certain key employees; and
- risks normally incident to the exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. See "*Risk Factors*."

Investors are cautioned not to put undue reliance on forward-looking statements, whether in this document, other documents periodically filed or furnished with the SEC or other securities regulators or presented on our website. Forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this notice. We disclaim 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 our disclosure obligations under applicable rules promulgated by the SEC. Investors are urged to read our filings with U.S. and Canadian securities regulatory authorities, which can be viewed online at [www.sec.gov](http://www.sec.gov) and [www.sedar.com](http://www.sedar.com), respectively.

## WHERE YOU CAN FIND MORE INFORMATION

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act we are required to file or furnish annual and special reports and other information with the SEC. As a foreign private issuer under the Exchange Act, we are exempt from rules under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. We are also exempt from Regulation FD.

You may read and copy any of the reports, statements, or other information we file or furnish with the SEC at the SEC's Public Reference Section at 100 F Street, N.E., Washington, D.C. 20549 at prescribed rates. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC filings are also available to the public from commercial document retrieval services and are available at the Internet website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

These reports and other information filed or furnished by us with the SEC are also available free of charge at our website at [www.goldreserveinc.com](http://www.goldreserveinc.com), under our "Investor Relations" tab. Our website also contains filings made with the Canadian securities regulatory authorities, which can also be accessed at [www.sedar.com](http://www.sedar.com).

**The information contained in our website is not incorporated by reference and does not constitute a part of this prospectus.**

## INCORPORATION BY REFERENCE

We have filed with the SEC a registration statement on Form F-3 under the Securities Act covering the Securities offered by this prospectus. This prospectus does not contain all of the information that you can find in our registration statement and the exhibits to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance such statement is qualified by reference to each such contract or document filed or incorporated by reference as an exhibit to the

registration statement.

The SEC allows us to "incorporate by reference" the information we file or furnish with them. This means that we can disclose important information to you by referring you to other documents that are legally considered to be part of this prospectus, and later information that we file or furnish with the SEC will automatically update and supersede the information in this prospectus. We incorporate by reference into this prospectus the following documents:

- Our annual report on Form 40-F, for our fiscal year ended December 31, 2013 filed on April 29, 2014;
- Our reports on Form 6-K furnished on April 29, 2014, May 1, 2014, May 5, 2014, May 7, 2014 (two reports), May 23, 2014 (no interim financial information incorporated by reference is audited), June 10, 2014, June 20, 2014, June 26, 2014, July 23, 2014, July 28, 2014, August 12, 2014, August 29,

2014 (no interim financial information incorporated by reference is audited), September 9, 2014 and September 19, 2014;

- The description of our Capital Stock set forth in our report on Form 6-K furnished on September 19, 2014;
- The description of the Class A Common Share purchase rights set forth in our report on Form 6-K furnished on September 19, 2014;
- Our Articles of Continuance and By-law No. 1 contained in Exhibits 99.1 and 99.2, respectively, to our report on Form 6-K furnished on September 19, 2014; and
- All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Form 40-F mentioned above.

In particular, we incorporate by reference our audited financial statements included in Exhibit 99.2 to our Annual Report on Form 40-F for the fiscal year ended December 31, 2013.

In the event of conflicting information in these documents, the information in the latest filed documents should be considered correct.

In addition, any future filings made with the SEC under the Exchange Act after the date of this prospectus and prior to the termination of the offering of the Securities made under this prospectus, and any future reports on Form 6-K furnished by us to the SEC during such period or portions thereof that are identified in such forms as being incorporated into the registration statement of which this prospectus forms a part, shall be considered to be incorporated in this prospectus by reference and shall be considered a part of this prospectus from the date of filing of such documents.

You may obtain copies of any of these filings as described below, through the SEC or through the SEC's Internet website, or through our website as described in "*Where You Can Find More Information.*" Documents incorporated by reference are available without charge, excluding all exhibits unless an exhibit has been specifically incorporated by reference into this prospectus, by requesting them in writing or by telephone to:

Mary E. Smith

Gold Reserve Inc.,

926 W. Sprague Avenue, Suite 200

Spokane, Washington 99201

Tel: 509-623-1500



## RECENT EVENTS

Effective September 9, 2014, the legal domicile of the Company was changed from the Yukon, Canada to Alberta, Canada pursuant to a continuance (the "Continuance") of the Company under the *Business Corporations Act (Alberta)* (the "ABCA"). The Continuance was effected through a continuance resolution, approved by the Company's shareholders on September 5, 2014, which authorized the Company to continue under the ABCA as if it had been incorporated under such statute. As a result of the Continuance, the Company continues as the same legal entity, other than its domicile has changed. In addition, following the Continuance, the Company continues its same business and operations and shareholders continue to hold the same number of Class A Common Shares, equity units (including Class B common shares) or other securities of the Company as they currently hold, with the same rights and obligations, as the case may be, attaching thereto, except that the Company is now organized in Alberta, Canada.



## PROSPECTUS SUMMARY

*The following summary highlights certain information contained elsewhere in this prospectus and in the documents incorporated by reference herein. It does not contain all the information that may be important to you. You should carefully read this prospectus and the documents incorporated by reference herein, before deciding to invest in our securities.*

### ***The Company***

We are incorporated under the laws of Alberta, Canada and are engaged in the business of acquiring, exploring and developing mining projects. We are an exploration stage company incorporated in 1998 under the laws of Yukon, Canada and are the successor issuer to Gold Reserve Corporation, which was incorporated in 1956. From 1992 to 2008 we focused substantially all of our management and financial resources on the development of the Brisas Project, a gold and copper project located in the Kilometer 88 mining district of the State of Bolivar in south-eastern Venezuela (the "Brisas Project"). The Brisas Project and our Choco 5 property (also located in Venezuela) were expropriated by the Venezuelan government in 2008. On September 9, 2014, we changed our legal domicile from the Yukon, Canada to Alberta, Canada.

As of June 30, 2014 (the last business day of our most recently completed second fiscal quarter), less than 50% of our outstanding voting securities were directly or indirectly held of record by residents of the U.S. Because the share ownership percentage of U.S. residents of the Company is less than 50% and we are organized under Canadian law, namely, the ABCA, we are a "foreign private issuer" pursuant to Rule 3b-4 under the Exchange Act. We previously reported as a foreign private issuer for many years prior to our annual report on Form 10-K for the fiscal year ended December 31, 2009, as during 2009 our shareholder composition changed such that more than 50% of our outstanding voting securities were directly or indirectly held of record by residents of the U.S. and greater than one-half of our management and directors were U.S. residents. As of June 30, 2011, we returned to foreign private issuer reporting for administrative ease and as a cost-savings measure.

Our administrative office is located at 926 West Sprague Avenue, Suite 200, Spokane, WA 99201, U.S.A. and our telephone and fax numbers are (509) 623-1500 and (509) 623-1634, respectively.

### ***Relationship to Selling Shareholder***

Except as otherwise disclosed in this prospectus, the Selling Shareholder does not have, and within the past three years has not had, any position, office or other material relationship with us.

In the second quarter of 2012, the Selling Shareholder, and certain other holders of the Company's convertible notes, entered into a restructuring agreement (the "2012 Restructuring Agreement") with the Company. During the fourth quarter of 2012, pursuant to the 2012 Restructuring Agreement, we consummated the restructuring of \$101.3 million of our \$102.3 million total aggregate principal amount of 5.50% Senior Subordinated Convertible Notes due June 15, 2022 (the "Original Notes"). In connection with the 2012 restructuring, we paid approximately \$33.8 million in cash and issued approximately \$42.2 million in equity (representing 12,412,501 Class A Common Shares at \$3.40 per share), approximately \$25.3 million aggregate principal amount of 5.50% Senior Subordinated Convertible Notes due 2014 (the "2014 Notes") (convertible into Class A Common Shares under certain circumstances at \$4.00 per share)

and a contingent value right distributed pro-rata to the participating note holders totaling 5.468% of any award or settlement of our Brisas arbitration. Pursuant to the 2012 Restructuring Agreement, the Selling Shareholder received a total of 7,959,265 Class A Common Shares, 2014 Notes in the aggregate principal amount of approximately \$16.2 million, cash in the amount of approximately \$10.8 million and 3.506% contingent value rights.

On June 18, 2014, we consummated the restructuring of almost all of the \$25.3 million aggregate principal amount of our 2014 Notes, including all of the 2014 Notes held by the Selling Shareholder, pursuant to a subordinated note restructuring and note purchase agreement, dated as of June 18, 2014 (the "2014 Restructuring Agreement"), among us, certain holders of the 2014 Notes and the purchasers of the New Notes (as defined below). In connection with the restructuring, we issued approximately \$25.3 million aggregate principal amount of Modified Notes. Simultaneously with the issuance of the Modified Notes, we issued \$12.0 million aggregate principal amount of 11% Senior Subordinated Convertible Notes due 2015 (the "New Notes" and together with the Modified Notes, the "2015 Notes") having the same terms as the Modified Notes, other than CUSIP number and issue price. Interest on the 2015 Notes accrues and is capitalized quarterly and payable in a new series of 11% Senior Subordinated

Interest Notes due 2015 (the "Interest Notes"), with the first interest payment having occurred on June 30, 2014. The restructuring of the 2014 Notes and the simultaneous issuance of the New Notes is collectively referred to herein as the "Restructuring and New Notes Sale." The Selling Shareholder participated in the Restructuring and New Notes Sale and received approximately \$16.2 million of Modified Notes. The Selling Shareholder did not receive any New Notes. Pursuant to the 2014 Restructuring Agreement, the Selling Shareholder also received a cash extension fee of 2.5% of the principal amount of its 2014 Notes restructured in the Restructuring and New Notes Sale. The 2015 Notes are convertible into Class A Common Shares under certain circumstances at a conversion price of \$3.50 per share.

On February 28, 2014, we entered into a Registration Rights Agreement with the Selling Shareholder whereby we agreed to file this registration statement and prospectus registering the Securities on behalf of the Selling Shareholder. Such Registration Rights Agreement is filed with the registration statement of which this prospectus is a part as Exhibit 4.9.

See "*Selling Shareholder*" for the amount of Class A Common Shares beneficially owned by the Selling Shareholder prior to this offering, the amount of Class A Common Shares being registered for resale, as well as the percentage of the Class A Common Shares that the Selling Shareholder will own after the completion of this offering.

## *The Offering*

Securities to be offered by the Selling Shareholder

11,707,979 Class A Common Shares of the Company held by the Selling Shareholder. The Securities explicitly do not include (i) any outstanding Class A Common Shares that are covered by the Company's registration statement filed with the SEC on Form F-3 (File No. 333-186851) or (ii) any Class A Common Shares that may be issued to the Selling Shareholder upon the conversion of the Company's Modified Notes that are covered by the Company's registration statement filed with the SEC on Form F-3 (File No. 333-197506).

Terms of the Offering

The Selling Shareholder will determine when and how it will sell the Securities offered in this prospectus.

OTCQB Symbol for Class A Common Shares

GDRZF

TSXV Symbol for Class A Common Shares

GRZ.V

Use of Proceeds

We will not receive proceeds from the resale of the Securities by the Selling Shareholder. See "*Use of Proceeds*."

Risk Factors

See "*Risk Factors*" beginning on page 10 and other information included in this prospectus or incorporated by reference herein for a discussion of factors you should consider before deciding to invest in the Securities.

## RISK FACTORS

*Set out below are certain risk factors that could materially adversely affect our future business, operating results or financial condition. Investors should carefully consider these risk factors and the other risk factors and information in this prospectus, including under "Cautionary Note Regarding Forward-Looking Statements" and our filings with the SEC. These filings include our annual report on Form 40-F for the year ended December 31, 2013 filed with the SEC on April 29, 2014, which is incorporated by reference in this prospectus, our reports on Form 6-K subsequently furnished to the SEC of which we have determined to incorporate by reference into this prospectus, and the other documents incorporated by reference in this prospectus, before making investment decisions involving the Securities.*

### **Risks Related to Our Arbitration Proceedings**

***Failure to prevail in, or settle, the Brisas arbitration and to obtain adequate compensation from the Venezuelan government for its expropriation of the Brisas Project and our Choco 5 property could materially adversely affect the Company.***

In October 2009, we filed a Request for Arbitration with ICSID against the Bolivarian Republic of Venezuela seeking compensation for all of the loss and damage resulting from the Venezuelan government's wrongful conduct, including its expropriation of the Brisas Project and our Choco 5 property. Our claim includes the full market value of the legal rights to develop the Brisas Project as of the date of the tribunal's decision, the value of the Choco 5 property and interest on the claim calculated since the loss. Our claim as last updated in our July 2011 reply totals approximately \$2.1 billion, which includes interest from April 14, 2008 (the date of the expropriation) to July 29, 2011 (the date of our reply) of approximately \$400 million. The cost of prosecuting the Brisas arbitration is substantial and there is no assurance that we will be successful in establishing the Venezuelan government's liability or, if successful, will collect any award by the arbitration tribunal for compensation from Venezuela. Failure to prevail in the Brisas arbitration and obtain adequate compensation for the expropriation of these properties could materially adversely affect the Company, including our ability to service debt and our ability to maintain sufficient liquidity to operate as a going concern (see "*Risks Related to the Business*").

***We do not know when our arbitration proceedings against Venezuela will be completed.***

We understand that numerous pending arbitration actions are being pursued against Venezuela at this time before the ICSID (See ICSID website at [icsid.worldbank.org/ICSID/](http://icsid.worldbank.org/ICSID/)) and further understand that Venezuela has reportedly settled and/or made full or partial payment for damages to a limited number of claimants. ICSID Arbitrations are non-public proceedings and, as a result, we have no specific information regarding the actual amounts paid or what percentage such payments represented of the original claim against Venezuela or the timing of such payments.

The tribunal held an oral hearing on the merits with the parties in February 2012 and the parties submitted post-hearing briefs in March, May and June 2012 as requested by the tribunal. In July 2012, the tribunal issued a procedural order requesting both parties to submit further expert reports addressing certain valuation issues. The expert initial and reply reports for both parties were filed May 24 and June 28, 2013, respectively, and on August 5, 2013 the parties filed final comments on the expert reports. On October 15 and 16, 2013, the tribunal held an oral hearing focused on the additional expert evidence requested in its previous procedural order. Subsequent to the October oral hearing the tribunal issued post-hearing procedural instructions and the parties submitted post-hearing briefs on December 23, 2013. Pursuant to an April 30, 2014 request by the tribunal, both parties submitted their legal and technical costs in late May 2014. In July 2014, the tribunal declared the proceedings in the Brisas arbitration closed. On September 18, 2014, the Company was advised by the tribunal that it expects to issue its award as early as

of the week of September 22, 2014.

Notwithstanding the historical average, based on the uncertain nature of arbitration under investment treaties, we do not have a basis upon which to estimate the amount of an award or settlement, if any, or the likelihood of its collection. Accordingly, there can be no assurances that the Brisas arbitration proceedings will be completed or settled within any specific or reasonable period of time, we will receive any award or settlement or that any award or settlement will be collected within any specific or reasonable period of time following the award or settlement, if any.

**Risks Related to the Market for the Securities**

*Failure to develop or further invest in our La Tortuga property (or acquire or invest in another mining project) could adversely affect future results including continued listing of our Class A Common Shares on the TSXV and/or the continued trading of our Class A Common Shares on the OTCQB.*

We are required to maintain compliance with the TSXV listing rules. No assurances can be given that we will be able to maintain compliance with the TSXV Company Manual and, as a result, could be subject to loss of our listing and future delisting actions.

A delisting of our Class A Common Shares from the TSXV (or any inability to continue to trade on the OTCQB) could negatively impact us by: (i) reducing the liquidity and market price of our Class A Common Shares; (ii) reducing the number of investors willing to hold or acquire our Class A Common Shares, which could negatively impact our ability to raise equity or other financing; (iii) limiting our ability to use a registration statement to offer and sell freely tradable securities, thereby preventing us from accessing the public capital markets; (iv) impairing our ability to provide equity incentives to our employees; and (v) impairing our ability to pay holders of our convertible notes Class A Common Shares in lieu of cash upon certain terms and conditions under the indenture in connection with a fundamental change.

*The price and liquidity of our Class A Common Shares may be volatile.*

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

- the result of the Brisas arbitration and litigation proceedings;
- the restructuring and continued servicing of our notes, convertible notes or other obligations as they come due;
- economic and political developments in Venezuela;
- our operating performance and financial condition;
- continued listing of our Class A Common Shares on TSXV and trading on the OTCQB;
- the public's reaction to announcements or filings by ourselves or other companies;
- the price of gold and copper and other metal prices, as well as metal production volatility;
- the arrival or departure of key personnel; and
- acquisitions, strategic alliances or joint ventures involving us or other companies.

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

***The ownership of our existing shareholders could be significantly diluted if our convertible notes are converted to Class A Common Shares or if we do not have the ability to repurchase our convertible notes in cash or pay cash upon their conversion.***

In May 2007, the Company issued \$103.5 million aggregate principal amount of Original Notes that mature on June 15, 2022. During the fourth quarter of 2012, we consummated the restructuring of \$101.3 million of our then outstanding \$102.3 million aggregate principal amount of Original Notes. In connection with the 2012 restructuring, we paid approximately \$33.8 million in cash and issued approximately \$42.2 million in equity (representing 12,412,501 Class A Common Shares at \$3.40 per share), approximately \$25.3 million aggregate principal amount of 2014 Notes that mature on June 29, 2014 (convertible into Class A Common Shares under certain circumstances at \$4.00 per share) and a contingent value right distributed pro-rata to the participating note holders totaling 5.468% of any award or settlement of our Brisas arbitration.

On June 18, 2014, we consummated the Restructuring and New Notes Sale pursuant to the 2014 Restructuring Agreement. Pursuant to the 2014 Restructuring Agreement, we restructured almost all of our \$25.3 million aggregate principal amount of 2014 Notes and issued an additional \$12.0 million aggregate principal amount



of New Notes. The approximately \$37.3 million aggregate principal amount of 2015 Notes mature on December 31, 2015 (convertible into Class A Common Shares under certain circumstances at \$3.50 per share). Any Interest Notes issued, or to be issued in the future, in connection with the payment of interest on the 2015 Notes and previously issued Interest Notes also mature on December 31, 2015 but are not convertible for our Class A Common Shares or any other security. As of September 18, 2014, we had outstanding approximately \$38.4 million aggregate principal amount of convertible notes of which approximately \$37.3 million aggregate principal amount are 2015 Notes and approximately \$1 million aggregate principal amount are Original Notes. If all of such convertible notes were converted to Class A Common Shares, an additional 10.8 million Class A Common Shares would be issued, thereby diluting the ownership of existing shareholders.

***Our ability to generate the cash needed to pay interest and principal amounts on our notes and convertible notes and service any other debt depends on many factors, some of which are beyond our control.***

Our ability to generate cash from operations to meet scheduled payments or to refinance our debt will depend on our financial and operating performance which, in turn, is subject to the business risks described in this prospectus. Some of these risks are beyond our control. If our cash flow and capital resources are insufficient to fund our operational or debt service obligations, we may be forced to reduce or to delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our debt.

Unless and until we successfully collect an arbitral award or reach a settlement, if any, or acquire and/or develop other operating properties which provide positive cash flow, our ability to meet our obligations as they come due or redeem in whole or part or otherwise restructure our indebtedness, or any other future indebtedness that we incur on or before the maturity of our indebtedness, will be limited to our cash on hand and/or our ability to issue additional equity or debt securities in the future. There can be no assurances that we will be able to refinance any of our indebtedness or incur additional indebtedness necessary for our pre-construction, construction or operative phases on commercially reasonable terms, if at all.

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

We issued the Securities to provide us additional working capital. Similarly, we issued the 2015 Notes to restructure certain of our existing convertible notes and to provide us with additional working capital. We cannot predict the size of any future issuances of securities, or the effect, if any, that future issuances and sales of our securities will have on the market price of our Class A Common Shares. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into shares, will result in dilution, possibly of a substantial nature, to present and prospective holders of shares and in certain circumstances could result in a change of control.

***We do not intend to pay any cash dividends in the foreseeable future.***

We have not declared or paid any dividends on our Class A Common Shares since 1984. We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on the Class A Common Shares in the foreseeable future. Any return on an investment in our Class A Common Shares will come from the appreciation, if any, in the value of the Class A Common Shares. The payment of future cash dividends, if any, will be reviewed periodically by our board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

### **Risks Related to the Business**

***Operating losses are expected to continue.***

We have no commercial production at this time and, as a result, we have not recorded revenue or cash flows from mining operations and have experienced losses from operations for each of the last five years, a trend we expect to continue unless and until the Brisas arbitration is resolved favorably to us and/or we acquire or invest in an alternative project and achieve commercial production.

***We may not have sufficient liquidity to operate as a going concern if we are unable to successfully address our funding requirements.***

Our consolidated financial statements are prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

As of June 30, 2014, the Company had financial resources comprised of cash, cash equivalents and marketable securities totaling approximately \$10.6 million and Brisas Project related equipment, which is being marketed for sale, with an estimated fair value of approximately \$19.0 million. The Company's short-term financial obligations included accounts payable and accrued expenses due in the normal course of approximately \$0.9 million. On June 18, 2014, we consummated the Restructuring and New Notes Sale pursuant to which we restructured almost all of our \$25.3 million aggregate principal amount of 2014 Notes and extended the maturity date of such notes to December 31, 2015 and issued an additional \$12.0 million aggregate principal amount of New Notes that also mature on December 31, 2015.

We are continuing our efforts to dispose of the remaining Brisas Project related assets, pursue a timely and successful completion of the arbitration claim before ICSID, including a possible settlement between the parties, and consider other debt and equity funding alternatives as may be required in the future.

Our future funding efforts may be adversely impacted by 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.

***Industry competition for new properties could limit our ability to grow in the future.***

There is strong competition from other mining companies in connection with the acquisition of future properties considered to have commercial potential. Many of these companies have greater financial resources, operational experience and technical capabilities. As a result, we may be unable to acquire additional mining properties, thereby limiting future growth.

***Failure to retain and attract key personnel could adversely affect us.***

We are dependent upon the abilities and continued participation of key personnel to manage the Brisas arbitration and identify, acquire and develop new opportunities. Substantially all key management personnel have been employed by us for over 15 years. The loss of key employees (in particular those long time key management personnel possessing important historical knowledge related to the Brisas Project which is relevant to the Brisas arbitration) or an inability to obtain personnel necessary to execute our plan to acquire and develop a new project could have a material adverse effect on our future operations.

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

Exploration for gold and other metals is speculative in nature, involves many risks and frequently is unsuccessful. As is customary in the industry, not all prospects will be positive or progress to later stages (*e.g.*, the feasibility and permitting stages), therefore, management can provide no assurances as to the future success of its efforts to acquire, explore, develop or operate another mining property. Exploration programs entail risks relating to location, metallurgical processes, governmental permits and regulatory approvals and the construction of mining and processing facilities. Development can take a number of years, requiring substantial expenditures and there is no assurance that we will have, or be able to raise, the required funds to engage in these activities or to meet our obligations with respect to the exploration properties in which we may acquire an interest. Any one or more of these factors or occurrence of other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies.

***As a foreign private issuer in the United States, we are subject to different U.S. securities laws and rules than a domestic U.S. issuer.***

We are a foreign private issuer under the Exchange Act and, as a result, are exempt from certain rules under the Exchange Act. The rules we are exempt from include the proxy rules that impose certain disclosure and procedural requirements for proxy solicitations. In addition, we are not required to file periodic reports and financial statements with the SEC as frequently, promptly or in as much detail as U.S. companies with securities registered under the Exchange Act. We are not required to comply with Regulation FD, which imposes certain restrictions on the selective disclosure of material information. Moreover, our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our Class A Common Shares.

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

U.S. taxpayers should be aware that we have determined that we were a "passive foreign investment company" (a "PFIC") under Section 1297(a) of the U.S. Internal Revenue Code (the "Code") for the taxable year ended December 31, 2013, and that we may be a PFIC for all taxable years prior to the time the Company has income from production activities. We do not believe that any of the Company's subsidiaries were PFICs as to any shareholder of the Company for the taxable year ended December 31, 2013, however, due to the complexities of the PFIC determination detailed below, we cannot guarantee this belief and, as a result, we cannot determine that the Internal Revenue Service (the "IRS") would not take the position that certain subsidiaries are not PFICs. The determination of whether the Company and any of its subsidiaries will be a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether the Company and any of its subsidiaries will be a PFIC for any taxable year generally depends on the Company's and its subsidiaries' assets and income over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this prospectus. Accordingly, there can be no assurance that the Company and any of its subsidiaries will not be a PFIC for any taxable year.

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

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

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

There are material tax risks associated with holding and selling or otherwise disposing of Class A Common Shares, which are described in more detail under the heading "*—Taxation.*" Each prospective investor is urged to consult its own financial advisor, legal counsel or accountant regarding the tax consequences to him or her with respect to the ownership and disposition of the Class A Common Shares.

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

Investors in the U.S. or in other jurisdictions outside of Canada may have difficulty bringing actions and enforcing judgments against us, our directors or executive officers based on civil liability provisions of federal securities laws or

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

## CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our capitalization and indebtedness as of July 31, 2014. The amounts shown below are unaudited and represent management's estimate. The information in this table should be read in conjunction with and is qualified by reference to the consolidated financial statements and notes thereto and other financial information incorporated by reference into this prospectus.

	<b>As at July 31, 2014</b> <b>(U.S. dollars)</b>
Cash, cash equivalents and marketable securities.....	\$9,502,272
<b>Borrowings:</b>	
Short-term borrowing.....	
Long-term borrowing.....	32,842,922
Total borrowing.....	32,842,922
<b>Equity:</b>	
Common Shares and equity units.....	289,269,930
Contributed Surplus.....	10,920,870
Warrants.....	543,915
Stock options.....	19,796,958
Accumulated deficit.....	(325,987,491)
Accumulated other comprehensive income.....	9,204
<b>Total shareholders' deficit</b>	<b>(5,446,614)</b>
Total Capitalization.....	<b>\$27,396,308</b>
 <b>Shares issued and outstanding</b>	
Class A Common Shares, without par value.....	76,059,186
Equity Units .....	961
	<b>76,060,147</b>

## USE OF PROCEEDS

We will not receive proceeds from the resale of the Securities by the Selling Shareholder. The Selling Shareholder will pay all underwriting discounts, selling commissions, stock transfer taxes, and costs and expenses of legal and other professional advisors incurred by them in disposing of the Securities in secondary offerings. We will bear all other costs, fees and expenses incurred in effecting the registration of the Securities covered by this prospectus, including, without limitation, all registration and filing fees and fees and expenses of our counsel and accountants.

### EXPENSES

We will incur the following expenses in connection with the registration of the securities offered by the Selling Shareholder:

Legal Fees and Expenses.....	\$ 30,000
Accounting Fees and Expenses.....	\$ 10,000
SEC Registration Fee.....	\$ 4,856
Printing Expenses.....	\$ 1,000
TOTAL.....	\$ 45,856

All amounts shown are estimates, except for the amount of the SEC registration fee. Any selling commissions, brokerage fees, applicable transfer taxes, and fees and disbursements of counsel for the Selling Shareholder are payable by the Selling Shareholder.



## PRICE RANGE FOR CLASS A COMMON SHARES

Our Class A Common Shares are traded in Canada on the TSXV under the symbol "GRZ.V" and on the OTCQB under the symbol "GDRZF." Prior to February 1, 2012, our Class A Common Shares were traded on the Toronto Stock Exchange. Prior to March 15, 2013, our Class A Common Shares were traded in the United States on the NYSE MKT (previously named NYSE Amex) under the symbol "GRZ." The following table sets forth, for the fiscal year, quarter or month indicated, the high and low sales prices of our Class A Common Shares as reported on the TSXV, NYSE MKT or OTCQB, as applicable.

The annual high and low sales prices for our Class A Common Shares for the five most recent full financial years are:

<u>Year</u>	<u>TSXV/TSX</u>		<u>NYSE MKT</u>		<u>OTCQB</u>	
	High	Low	High	Low	High	Low
<b>2013</b>	Cdn \$ 3.78	Cdn \$ 2.50	\$ 3.48	\$ 2.48	\$ 3.60	\$ 2.42
<b>2012</b>	4.60	2.70	4.53	2.68	N/A	N/A
<b>2011</b>	3.10	1.61	3.14	1.66	N/A	N/A
<b>2010</b>	1.84	0.76	1.84	0.71	N/A	N/A
<b>2009</b>	1.79	0.51	1.73	0.48	N/A	N/A

The high and low sales prices for our Class A Common Shares each full financial quarter for the two most recent full financial years and any subsequent periods are:

<u>Quarter</u>	<u>TSXV/TSX</u>		<u>NYSE MKT/OTCQB<sup>(1)</sup></u>	
	High	Low	High	Low
<b>2014</b>				
Third Quarter (through September 18, 2014)	Cdn \$ 4.90	Cdn \$ 3.35	\$ 4.37	\$ 3.22
Second Quarter	3.80	3.00	3.52	2.72
First Quarter	4.31	3.30	3.94	2.99
<b>2013</b>				
Fourth Quarter	Cdn \$ 3.78	Cdn \$ 3.26	\$ 3.60	\$ 3.14
Third Quarter	3.66	2.95	3.50	2.75
Second Quarter	3.57	2.80	3.50	2.66
First Quarter	3.35	2.50	3.48	2.42
(through March 14 for NYSE MKT)				
<b>2012</b>				
Fourth Quarter	Cdn \$ 3.50	Cdn \$ 2.70	\$ 3.54	\$ 2.70
Third Quarter	4.19	2.75	4.11	2.88
Second Quarter	4.60	3.26	4.53	3.15
First Quarter	3.99	2.73	3.98	2.68

<sup>(1)</sup> The high and low for the second, third and fourth quarter of 2013 are the sale prices on the OTCQB, all previous quarters are the sale prices on the NYSE MKT.



The high and low sales prices for our Class A Common Shares for each month for the most recent six months are:

<b>2014</b>	<b><u>TSXV/TSX</u></b>		<b><u>OTCQB</u></b>	
	High	Low	High	Low
September (through September 18, 2014)	Cdn \$ 4.71	Cdn \$ 4.33	\$ 4.29	\$ 3.97
August	4.90	4.16	4.30	3.80
July	4.89	3.35	4.37	3.22
June	3.73	3.33	3.45	3.05
May	3.80	3.15	3.52	2.85
April	3.77	3.00	3.42	2.72
March	3.89	3.30	3.46	2.99

On September 18, 2014, the closing price for the Class A Common Shares was Cdn \$4.52 per share on the TSXV and \$4.10 per share on the OTCQB. As of June 30, 2014, there were a total of 76,059,186 Class A Common Shares and 961 Class B common shares issued and outstanding. The combined number of holders of Class A Common Shares and Class B common shares of record on September 18, 2014 was approximately 736. As of September 18, 2014, based on information received from our transfer agent and other service providers, we believe our common shares are owned beneficially by approximately 7,000 shareholders.

## DESCRIPTION OF CLASS A COMMON SHARES

We are authorized to issue an unlimited number of Class A Common Shares of which 76,076,686 Class A Common Shares were issued and outstanding at September 18, 2014. Shareholders are entitled to receive notice of and attend all meetings of shareholders with each Class A Common Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. Shareholders are entitled to dividends if, as and when declared by our board of directors. Upon our liquidation, dissolution or winding up, shareholders are entitled to receive our remaining assets available for distribution to shareholders. The Class A Common Shares include associated Class A Common Share purchase rights under our Shareholder Rights Plan Agreement, as amended and restated. Those rights are described in our report on Form 6-K that was furnished on September 19, 2014, which is incorporated by reference into this prospectus.

In February 1999, Gold Reserve Corporation became our subsidiary. Generally, each shareholder exchanged its Gold Reserve Corporation shares for an equal number of our Class A Common Shares. For tax reasons, certain U.S. holders elected to receive equity units in lieu of our Class A Common Shares. An "equity unit" is comprised of one Gold Reserve Inc. Class B common share and one Gold Reserve Corporation Class B common share, is substantially equivalent to a Class A Common Share and is generally immediately convertible into a Class A Common Share. Unless otherwise noted, general references to common shares of the Company include Class A Common Shares and equity units as a group. At September 18, 2014, there were 961 equity units outstanding.

Effective September 9, 2014, the legal domicile of the Company was changed from the Yukon, Canada to Alberta, Canada pursuant to the Continuance. Following the Continuance, shareholders continue to hold the same number of Class A Common Shares, equity units (including Class B common shares) or other securities of the Company as they currently hold, with the same rights and obligations, as the case may be, attaching thereto, except that the Company is now organized in Alberta, Canada.

Adjustments will be made in the event of certain corporate transactions, such as, but not limited to, a subdivision or consolidation of the common shares or reorganization, reclassification of the capital, or merger or amalgamation with any other company.

## SELLING SHAREHOLDER

On February 28, 2014, we entered into a Registration Rights Agreement with the Selling Shareholder whereby we agreed to file this registration statement and prospectus registering the Securities on behalf of the Selling Shareholder. Such Registration Rights Agreement is filed with the registration statement of which this prospectus is a part as Exhibit 4.9.

The following table sets forth information as of September 18, 2014 with respect to the Selling Shareholder for which Securities are being registered for sale. The Selling Shareholder has not had any material relationship with us within the past three years other than as described under "*Relationship to Selling Shareholder*."

The table below also assumes (i) the sale of all of the Class A Common Shares registered for sale by the Selling Shareholder pursuant to this prospectus and (ii) that the Selling Shareholder does not acquire additional Class A Common Shares after the date of this prospectus and prior to completion of this offering. However, no estimate can be made of the aggregate number of Class A Common Shares that will actually be offered hereby or the aggregate number of Class A Common Shares that will be owned by the Selling Shareholder upon completion of the offering to which this prospectus relates.

<i>Shareholder for Which Shares are</i>	<i>Class A Common Shares</i>			
	<i>Beneficially</i>			
	<i><u>owned after the offering</u></i>			
	<i><u>owned prior to this</u></i>	<i>Shares Registered</i>	<i>Class A</i>	<i>Percentage</i> <sup>(2)</sup>
<i><u>Being Registered for Resale</u></i>	<i><u>offering</u></i>	<i><u>for Resale</u></i>	<i><u>Common Shares</u></i>	
Steelhead Navigator Master, L.P. <sup>(1)</sup>	19,667,244 <sup>(3)</sup>	11,707,979	7,959,265 <sup>(3)(4)</sup>	10.46%

(1) We have been advised that Steelhead Partners, LLC (and its member-managers J. Michael Johnston and Brian K. Klein), as the investment manager of the Selling Shareholder, exercises voting and investment power over the Securities registered on behalf of the Selling Shareholder pursuant to this registration statement. The registered address of the Selling Shareholder is c/o Maples Corporate Services Limited, PO Box 309, Umland House Grand Cayman KY1-1104 Cayman Islands.

(2) Based on 76,059,186 Class A Common Shares outstanding on June 30, 2014.

(3) Excludes (i) 4,638,857 Class A Common Shares that may be issued to the Selling Shareholder upon conversion of the 2015 Notes that it holds and (ii) a contingent value right held by the Selling Shareholder or any underlying securities that may be issuable by the issuer to the Selling Shareholder pursuant to the terms of the contingent value right.

(4) The 7,959,265 Class A Common Shares that would remain outstanding following the offering of all of the Securities covered by this prospectus are registered for resale by the Selling Shareholder under the Company's

registration statement filed with the SEC on Form F-3 (File No. 333-186851). In addition, the Company's registration statement on Form F-3 (File No. 333-197506) registers the resale by the Selling Shareholder of any or all of the 4,638,857 Class A Common Shares that may be issued to the Selling Shareholder upon conversion of the Modified Notes held by the Selling Shareholder.

## PLAN OF DISTRIBUTION

The Selling Shareholder and any of its pledgees, assignees and successors-in-interest may, from time to time, sell any or all of the Selling Shareholder's Securities covered by this prospectus on any securities exchange, market or trading facility on which the Securities are traded or in private transactions. These sales may be at fixed or negotiated prices. The Selling Shareholder may use any one or more of the following methods when selling Securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the Securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- in transactions through broker-dealers that agree with the Selling Shareholder to sell a specified number of such Securities at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

Our Class A Common Shares are listed for trading on the TSXV under the symbol "GRZ.V" and trade on the OTCQB under the symbol "GDRZF."

The Selling Shareholder may also sell Securities under Rule 144 or any other exemption from registration available to the Selling Shareholder under the Securities Act, if available, rather than under this prospectus. Broker-dealers engaged by the Selling Shareholder may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Shareholder (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission, in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown, in compliance with FINRA IM-2440.

In connection with the sale of the Securities or interests therein, the Selling Shareholder may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Securities in the course of hedging the positions they assume. The Selling Shareholder may also sell Securities short and deliver these Securities to close out their short positions, or loan or pledge the Securities to broker-dealers that in turn may sell these Securities. The Selling Shareholder may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of Securities offered by this prospectus, which shares such

broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Shareholder and any broker-dealers or agents that are involved in selling the Securities may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the Securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. The Selling Shareholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the Securities. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).



We are required to pay certain fees and expenses incurred by us incident to the registration of the Securities.

Because the Selling Shareholder may be deemed to be an "underwriter" within the meaning of the Securities Act, it will be subject to the prospectus delivery requirements of the Securities Act, including Rule 172 thereunder. The Selling Shareholder has advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the Securities by the Selling Shareholder.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the Securities may not simultaneously engage in market making activities with respect to the Securities for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Shareholder will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of shares of the Securities by the Selling Shareholder or any other person. We will make copies of this prospectus available to the Selling Shareholder and have informed it of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

## **EXCHANGE CONTROLS**

There are currently no laws, decrees, regulations or other legislation in Canada that restricts the export or import of capital or that affects the remittance of dividends, interest or other payments to non-resident holders of our Class A Common Shares other than withholding tax requirements. There is no limitation imposed by Canadian law or by our Articles of Continuance (which are deemed to be the Articles of Incorporation of the Company upon the Continuance under the ABCA) or by-laws on the rights of a non-resident of Canada to hold or vote our Class A Common Shares, other than as provided in the North American Free Trade Agreement Implementation Act (Canada) and in the Investment Canada Act, as amended by the World Trade Organization Agreement Implementation Act.

The Investment Canada Act requires notification and, in certain cases, advance review and approval by the Government of Canada of the acquisition by a "non-Canadian" of "control of a Canadian business," all as defined in the Investment Canada Act. Generally the threshold for review will be higher in monetary terms, and in certain cases an exemption will apply, for an investor ultimately controlled by persons who are nationals of a WTO Member or have the right of permanent residence in relation thereto.

## **INSPECTION OF DOCUMENTS**

Copies of the documents referred to in this prospectus, or in the registration statement, may be inspected at our corporate office at 926 W. Sprague Avenue, Suite 200, Spokane, Washington 99201, during normal business hours.

# TAXATION

## **Certain Material U.S. Federal Income Tax Considerations for U.S. Holders**

*Certain material U.S. federal income tax considerations.* The following is a summary of certain material U.S. federal income tax considerations relating to the acquisition, ownership, and dis