

GOLD RESERVE INC
Form POS AM
September 30, 2014

As filed with the Securities and Exchange Commission on September 30, 2014

Registration No. 333-191955

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 2

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.

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.

EXPLANATORY NOTE

This Post-Effective Amendment No. 2 to the Registration Statement on Form F-3 (File No. 333-191955) (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, no par value (the "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.

On December 4, 2012, we consummated the restructuring of \$101.3 million of our \$102.3 million outstanding 5.50% Senior Subordinated Convertible Notes due June 15, 2022. In connection with the 2012 restructuring, we paid \$33.8 million in cash and issued \$42.2 million in equity (representing 12,412,501 Class A Common Shares of the Company at \$3.40 per share), \$25.3 million in 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 related to any award or settlement of our Brisas Project arbitration (discussed further below). At the time of its effectiveness, the Registration Statement registered 16,397,415 Class A Common Shares, including (i) 14,784,915 Class A Common Shares held by the selling shareholders named under "Selling Shareholders" (the "Selling Shareholders"), (ii) 875,000 Class A Common Shares that may be issued upon the exercise of Class A Common Share purchase warrants (the "Warrants") held by the Selling Shareholders and (iii) 737,500 Class A Common Shares issuable upon the conversion of the Company's 2014 Notes held by certain Selling Shareholders that were received in the 2012 restructuring. 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 those Selling Shareholders. As a result, no Class A Common Shares into which such 2014 Notes were convertible were sold under the Registration Statement by any of the Selling Shareholders prior to their cancellation in connection with the 2012 restructuring. Accordingly, pursuant to the undertaking contained in the Registration Statement to remove from registration by means of a post-effective amendment any of the securities that were registered that remain unsold, the Company hereby amends the Registration Statement to remove from registration all of the 737,500 Class A Common Share that were issuable upon the conversion of the 2014 Notes held by certain of the Selling Shareholders (including the associated Class A Common Share purchase rights). The Registration Statement continues to register the resale by the Selling Shareholders from time of any or all of the remaining (i) 14,784,915 Class A Common Shares held by the Selling Shareholders and originally registered under this Registration Statement and (ii) 875,000 Class A Common Shares that may be issued upon the exercise of the Warrants held by the Selling Shareholders.

The information in this prospectus is not complete and may be changed. The Selling Shareholders 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 30, 2014

PROSPECTUS

GOLD RESERVE INC.

Up to 15,659,915 Class A Common Shares

offered by the Selling Shareholders

The selling shareholders named in the section "*Selling Shareholders*" (the "Selling Shareholders") may from time to time offer and sell, in one or more offerings, up to 15,659,915 Class A Common Shares, no par value per share ("Class A Common Shares"), of Gold Reserve Inc. (the "Company") held by them, which includes (i) 14,784,915 Class A Common Shares currently held by the Selling Shareholders and (ii) 875,000 Class A Common Shares that may be issued upon the exercise of Class A Common Share purchase warrants (the "Warrants") held by the Selling Shareholders. The Securities explicitly do not include any Class A Common Shares that may be issued to the Selling Shareholders upon the conversion of the Company's 2015 Notes (as defined herein) that are covered by the Company's registration statement filed with the Securities and Exchange Commission (the "SEC") on Form F-3 (File No. 333-197506). Each Warrant is exercisable by the holder until August 28, 2015 or September 20, 2015, as the case may be, and is exercisable for one Class A Common Share at a per share price of U.S. \$4.00.

The Class A Common Shares offered hereby (individually, or collectively, the "Securities") may be offered from time to time by the Selling Shareholders 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*."

We will not receive any of the proceeds from the sale of these Securities. See "*Use of Proceeds*."

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 29, 2014, the closing sale prices of the Class A Common Shares as reported by the TSXV and OTCQB were Cdn \$4.30 and \$3.88, respectively. Our Class A Common Shares have full voting, dividend and liquidation rights. The Warrants are not listed.

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.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS. 2

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS. 3

WHERE YOU CAN FIND MORE INFORMATION.. 4

INCORPORATION BY REFERENCE.. 4

RECENT EVENTS. 6

PROSPECTUS SUMMARY.. 7

RISK FACTORS. 10

CAPITALIZATION AND INDEBTEDNESS. 16

USE OF PROCEEDS. 17

EXPENSES. 17

PRICE RANGE OF CLASS A COMMON SHARES. 18

DESCRIPTION OF OUR CLASS A COMMON SHARES. 20

DESCRIPTION OF WARRANTS. 20

SELLING SHAREHOLDERS. 21

PLAN OF DISTRIBUTION.. 23

EXCHANGE CONTROLS. 25

INSPECTION OF DOCUMENTS. 25

TAXATION.. 26

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITY.. 34

LEGAL MATTERS. 34

EXPERTS. 34

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form F-3 that we originally filed with the SEC with respect to 16,397,415 Class A Common Shares, including (i) 14,784,915 Class A Common Shares held by the Selling Shareholders, (ii) 875,000 Class A Common Shares that may be issued upon the exercise of the Warrants held by the Selling Shareholders and (iii) 737,500 Class A Common Shares issuable upon the conversion of the Company's 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) held by certain Selling Shareholders. 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 those Selling Shareholders. Accordingly, this prospectus that forms a part of Post-Effective Amendment No. 2 to the Form F-3 now covers only the remaining (i) 14,784,915 Class A Common Shares currently held by the Selling Shareholders and originally registered under this registration statement and (ii) 875,000 Class A Common Shares that may be issued upon the exercise of the Warrants held by the Selling Shareholders, which may be offered and sold from time to time in one or more offerings by the Selling Shareholders named in the section "*Selling Shareholders*." The Securities explicitly do not include any Class A Common Shares that may be issued to the Selling Shareholder upon the conversion of the Company's 2015 Notes that are covered by the Company's registration statement filed with the SEC on Form F-3 (File No. 333-197506).

This prospectus only provides you with a general description of the Securities that the Selling Shareholders may sell or offer. Each time the Selling Shareholders sell 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 Shareholders have 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:

- the outcome of our arbitration against the Bolivarian Republic of Venezuela, including any settlement or collection of our Award (as defined herein);
- 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;
- competition with companies that are not subject to, or do not follow, Canadian and U.S. laws and regulations;

Edgar Filing: GOLD RESERVE INC - Form POS AM

- 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 and 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.

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, 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.

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, September 19, 2014, September 23, 2014 and September 25, 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

Brisas Arbitration Award

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, a gold and copper project located in the Kilometer 88 mining district of the State of Bolivar in south-eastern Venezuela (the "Brisas Project"), and our Choco 5 property. Our claim included 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 totaled approximately \$2.1 billion, which included interest of approximately \$400 million. On September 22, 2014, the tribunal announced that it had awarded the Company \$740.3 million (the "Award") in connection with the Brisas arbitration. Payment of the Award is due and payable immediately with any unpaid amounts accruing interest at a rate of LIBOR plus 2% per annum.

Continuance to Alberta

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. On September 9, 2014, we changed our legal domicile from the Yukon, Canada to Alberta, Canada. From 1992 to 2008 we focused substantially all of our management and financial resources on the development of 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 22, 2014, the ICSID tribunal announced an Award to the Company in the amount of \$740.3 million in connection with the Brisas arbitration relating to such expropriations. See "*Recent Events Brisas Arbitration Award.*"

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 Shareholders

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

Certain of the Selling Shareholders are affiliates of Greywolf Capital Management LP ("Greywolf"), namely GCOF Europe S.à.r.l. ("GCOF Europe") and Greywolf Overseas Intermediate Fund ("Greywolf Intermediate"). Together, Greywolf and its affiliates hold approximately 18.6% of our outstanding Class A Common Shares. In the second quarter of 2012, GCOF Europe and GCP Europe S.à.r.l. ("GCP Europe"), another affiliate of Greywolf, 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 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. GCOF Europe and GCP Europe participated in the restructuring and received a total of 1,446,324 Class A Common Shares, 2014 Notes in the aggregate principal amount of \$2.95 million, cash in the amount of approximately \$1.97 million and 0.637% contingent value rights.

During the third quarter of 2013, we closed a private placement (the "2013 Private Placement") to certain of the Selling Shareholders or their affiliates, for gross proceeds of approximately \$5.25 million. Pursuant to the 2013 Private Placement, certain of the Selling Shareholders or their affiliates were issued 1,750,000 units of securities of the Company (each a "Unit") at a price of \$3.00 per Unit. Each Unit comprised one Class A Common Share and one-half of one Class A Common Share purchase Warrant, with each whole Warrant exercisable by the holder for a period of two years after its issuance to acquire one Class A Common Share at a price of \$4.00 per share. On August 27, 2013, we entered into a Registration Rights Agreement with certain of the Selling Shareholders or their

affiliates whereby we agreed to file this Registration Statement and prospectus, registering the Securities on behalf of the Selling Shareholders or their affiliates. Such Registration Rights Agreement is filed with the registration statement of which this prospectus is a part as Exhibit 4.10.

On June 18, 2014, we consummated the restructuring of almost all of the \$25.3 million aggregate principal amount of our 2014 Notes 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 11% Senior Subordinated Convertible Notes due 2015 (the "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, 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." GCOF Europe, GCP Europe and Greywolf Capital Overseas Fund II, another affiliate of Greywolf ("GCOF II"), participated in the restructuring and received 2015 Notes in the aggregate principal amount of \$9.95 million. In addition, GCOF Europe, GCP Europe and GCOF II received, as applicable, an original issue discount of 2.5% on the principal amount of the New Notes purchased by them and, with respect to the 2014 Notes, GCOF Europe and GCP Europe received a cash extension fee of 2.5% of the principal amount. Effective as of July 1, 2014, certain holdings of GCP Europe were transferred to GCOF Europe and certain holdings of GCOF II were transferred to Greywolf Intermediate. As a result of these transfers, neither GCP Europe nor GCOF II holds any of the Securities registered pursuant to this registration statement any longer.

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

The Offering

| | |
|--|--|
| Securities to be offered by the Selling Shareholders | 15,659,915 Class A Common Shares, which includes (i) 14,784,915 Class A Common Shares currently held by the Selling Shareholders and (ii) 875,000 Class A Common Shares that may be issued upon the exercise of the Warrants held by the Selling Shareholders. The Securities explicitly do not include any Class A Common Shares that may be issued to the Selling Shareholder upon the conversion of the Company's 2015 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 | Each 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. However, we have received proceeds of \$5.25 million from the 2013 Private Placement. In addition, we would receive proceeds of \$3.5 million, assuming exercise in full of the 875,000 Warrants by the Selling Shareholders. We also received proceeds from the sale of the Original Notes when originally offered in 2007. See " <i>Use of Proceeds</i> ." |
| Risk Factors | See " <i>Risk Factors</i> " 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 collect the Award issued in connection with the Brisas arbitration 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 included 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 totaled approximately \$2.1 billion, which included interest of approximately \$400 million. On September 22, 2014, the tribunal announced that it had awarded the Company \$740.3 million in connection with the Brisas arbitration. Payment of the Award is due and payable immediately with any unpaid amounts accruing interest at a rate of LIBOR plus 2% per annum. While we continue to analyze the lengthy text of the Award, the Company has commenced steps to pursue the recognition and collection of the Award against the Venezuelan government. The Venezuelan government has a limited right to apply for annulment of the Award on certain grounds. Although the Award has been granted, there is no assurance that we will be successful in collecting the Award from the Venezuela government and/or any collection process may be time consuming or expensive. Failure to collect the Award would 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, including the collection of the Award, 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/) 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 22, 2014, the tribunal announced that it had awarded the Company \$740.3 million in connection with the Brisas arbitration.

Payment of the Award is due and payable immediately with any unpaid amounts accruing interest at a rate of LIBOR plus 2% per annum. While we continue to analyze the lengthy text of the Award, the Company has commenced steps to pursue the recognition and collection of the Award against the Venezuelan government. The Venezuelan government has a limited right to apply for annulment of the Award on certain grounds. As a result of the foregoing, and based on the uncertain nature of arbitration under investment treaties, we do not have a basis

upon which to estimate the likelihood of collection of the Award or any portion thereof (or settlement with the government of Venezuela in lieu of collection such Award) or, if we are successful in collecting the Award from, or settling with, the Venezuelan government, the timing or amount for such collection or settlement. Accordingly, there can be no assurances that the Award will be collected or settled within any specific or reasonable period of time or that we will receive any or all of the Award (or any such settlement).

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, including any settlement or collection of our Award;
- 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 29, 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 all or a portion of the Award from the Venezuelan government (or otherwise settle with the Venezuelan government) 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 we are able to collect all or a portion of the Award from the Venezuelan government (or otherwise settle with the Venezuelan government) 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.

On September 22, 2014, the ICSID tribunal announced that it had awarded the Company \$740.3 million in connection with the Brisas arbitration. Payment of the Award is due and payable immediately with any unpaid amounts accruing interest at a rate of LIBOR plus 2% per annum. While we continue to analyze the lengthy text of the Award, the Company has commenced steps to pursue the recognition and collection of the Award against the Venezuelan government. The Venezuelan government has a limited right to apply for annulment of the Award on certain grounds. As a result, although the Award has been granted, there is no assurance that we will be successful in collecting the Award from the Venezuela government and/or any collection process may be time consuming and expensive. Failure to collect the Award (or otherwise settle with the Venezuelan government) would materially adversely affect the Company, including our ability to service debt and our ability to maintain sufficient liquidity to operate as a going concern. In addition to pursuing the completion of the Brisas arbitration, we are also continuing our efforts to dispose of the remaining Brisas Project related assets 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 August 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.

| | As at August 31, 2014 (U.S. dollars) |
|---|---|
| Cash, cash equivalents and marketable securities..... | \$8,931,380 |
| Borrowings: | |
| Short-term borrowing..... | |
| Long-term borrowing..... | 33,510,802 |
| Total borrowing..... | 33,510,802 |
| Equity: | |
| Common Shares and equity units..... | 289,301,780 |
| Contributed Surplus..... | 10,920,870 |
| Warrants..... | 543,915 |
| Stock options..... | 19,796,958 |
| Accumulated deficit..... | (327,067,661) |
| Accumulated other comprehensive loss..... | (48,660) |
| Total shareholders' deficit | (6,552,798) |
| Total Capitalization..... | \$26,958,004 |
| Shares issued and outstanding | |
| Class A Common Shares, without par value..... | 76,076,686 |
| Equity Units | 961 |
| | 76,077,647 |

USE OF PROCEEDS

We will not receive any proceeds from any sales of the Securities made from time to time hereunder by the Selling Shareholders. However, we have received proceeds of \$5.25 million from the 2013 Private Placement. In addition, we would receive proceeds of \$3.5 million, assuming exercise in full of the 875,000 Warrants by the Selling Shareholders. We also received proceeds from the sale of the Original Notes when originally offered in 2007.

The Selling Shareholders 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, with the exception that the Company paid for certain of the Selling Shareholders' legal fees and expenses, in the amount of \$0.06 million, in the aggregate with respect to the initial sale to those Selling Shareholders in the 2013 Private Placement. 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 Shareholders:

| | |
|-----------------------------------|------------------|
| Legal Fees and Expenses..... | \$ 50,000 |
| Accounting Fees and Expenses..... | \$ 10,000 |
| SEC Registration Fee..... | \$ 6,590 |
| Printing Expenses..... | \$ 1,000 |
| TOTAL..... | \$ 67,590 |

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 Shareholders are payable by the Selling Shareholders.

PRICE RANGE OF 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 |
| 2013 | Cdn \$ 3.78 | Cdn \$ 2.50 | \$ 3.48 | \$ 2.48 | \$ 3.60 | \$ 2.42 |
| 2012 | 4.60 | 2.70 | 4.53 | 2.68 | N/A | N/A |
| 2011 | 3.10 | 1.61 | 3.14 | 1.66 | N/A | N/A |
| 2010 | 1.84 | 0.76 | 1.84 | 0.71 | N/A | N/A |
| 2009 | 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⁽¹⁾</u> | |
|--|-----------------|-------------|-------------------------------------|---------|
| | High | Low | High | Low |
| 2014 | | | | |
| Third Quarter (through September 29, 2014) | Cdn \$ 4.96 | Cdn \$ 3.35 | \$ 4.48 | \$ 3.22 |
| Second Quarter | 3.80 | 3.00 | 3.52 | 2.72 |
| First Quarter | 4.31 | 3.30 | 3.94 | 2.99 |
| 2013 | | | | |
| 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)

| | | | | |
|----------------|-------------|-------------|---------|---------|
| 2012 | | | | |
| 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 |

⁽¹⁾ 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:

| 2014 | <u>TSXV/TSX</u> | | <u>OTCQB</u> | |
|--|------------------------|-------------|---------------------|---------|
| | High | Low | High | Low |
| September (through September 29, 2014) | Cdn \$ 4.96 | Cdn \$ 4.13 | \$ 4.48 | \$ 3.74 |
| 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 29, 2014, the closing price for the Class A Common Shares was Cdn \$4.30 per share on the TSXV and \$3.88 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 29, 2014 was approximately 736. As of September 29, 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 OUR 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 29, 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 29, 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.

DESCRIPTION OF WARRANTS

As of September 29, 2014, 875,000 Warrants are outstanding and exercisable at an exercise price of \$4.00. The Warrants were issued to certain of the Selling Shareholders or their affiliates in the 2013 Private Placement, as described herein, which closed in two tranches. 750,000 Warrants were issued to certain Selling Shareholders or their affiliates in the first tranche and 125,000 Warrants were issued to certain other Selling Shareholders in the second tranche. The Warrants issued in the first tranche and second tranche are set to expire on August 28, 2015 and September 20, 2015, respectively. Each Warrant is exercisable for one Class A Common Share.

SELLING SHAREHOLDERS

On August 27, 2013, we entered into a Registration Rights Agreement with certain of the Selling Shareholders or their affiliates whereby we agreed to file this Registration Statement and prospectus, registering the Securities on behalf of the Selling Shareholders. Such Registration Rights Agreement is filed with the registration statement of which this prospectus is a part as Exhibit 4.10.

The following table sets forth information as of September 29, 2014, with respect to the Selling Shareholders for which Securities are being registered for sale. The Selling Shareholders have not had any material relationship with us within the past three years other than as described under "*Relationship to Selling Shareholders*."

The table below also assumes (i) the sale of all of the Class A Common Shares registered for sale by the Selling Shareholders pursuant to this prospectus and (ii) that the Selling Shareholders do 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 each of the Selling Shareholders upon completion of the offering to which this prospectus relates.

| <i>Shareholder for Which Class A Common Shares are</i> | <i>Class A Common Shares</i> | | | | |
|--|---|---|--|---|---------------------------------|
| | <i>Beneficially</i> | | | | |
| | <i><u>owned after the offering</u></i> | | | | |
| | <i>Class A Common Shares</i> | <i>Class A Common Shares</i> | <i>Class A Common Shares</i> | <i>Number of Class A Common</i> | <i>Percentage⁽⁸⁾</i> |
| <i>Being Registered for Resale</i> | <i>Shares Beneficially owned prior to this offering</i> | <i>issuable upon exercise of Warrants registered for Resale</i> | <i>Registered for Resale⁽¹⁾</i> | <i>Shares</i> | |
| GCOF Europe S.à.r.l. ⁽²⁾⁽³⁾ | 8,717,925 ⁽⁴⁾ | 750,000 | 9,325,334 ⁽⁴⁾ | 142,591 | * |
| Greywolf Overseas Intermediate Fund ⁽²⁾⁽⁵⁾ | 4,694,240 ⁽⁶⁾ | | 4,488,788 ⁽⁶⁾ | 205,452 | * |
| James K. Schuler Revocable Living Trust ⁽⁷⁾ | 882,481 | 62,500 | 944,981 | 0 | |