GOLD RESERVE INC
Form 424B3
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Registration Number 333-208996

PROSPECTUS

GOLD RESERVE INC.

$57,057,717 11% Senior Secured Convertible Notes due 2018

and

up to 29,845,503 Class A Common Shares

On November 30, 2015, we consummated the restructuring of approximately:

- $37.3 million aggregate principal amount of our previously outstanding 11% Senior Subordinated Convertible Notes due 2015 ("2015 Convertible Notes"); and

- $5.6 million aggregate principal amount of our previously outstanding 11% Senior Subordinated Interest Notes due 2015 (the "2015 Interest Notes" and, together with the 2015 Convertible Notes, the "2015 Notes").

In connection with restructuring the terms of the 2015 Notes, which included increasing the principal amount of the 2015 Notes outstanding by approximately $0.8 million (an amount equal to the aggregate principal amount of accrued and unpaid interest on the 2015 Notes to, but not including, the date of consummation of the restructuring), we issued approximately $43.7 million aggregate principal amount of 11% Senior Secured Convertible Notes due 2018 (the "Amended Notes").

As consideration for the holders of the 2015 Notes agreeing to amend the 2015 Notes, we also issued them an additional approximately $1.1 million aggregate principal amount 11% Senior Secured Convertible Notes due 2018 (the "Restructuring Fee Notes") (which represents a fee equal to 2.5% of the Amended Notes), which have the same terms as the Amended Notes. Finally, simultaneously with the issuance of the Amended Notes and the Restructuring Fee Notes, we also issued an additional approximately $12.3 million aggregate principal amount of 11% Senior Secured Convertible Notes due 2018 (the "New Notes" and, together with the Amended Notes and the Restructuring Fee Notes, the "2018 Convertible Notes"), for cash proceeds of approximately $12 million, having the same terms as the Amended Notes and the Restructuring Fee Notes, other than an original issue discount ("OID") of 2.5% of the principal amount of the New Notes. Interest on the 2018 Convertible Notes accrues and is capitalized quarterly and is payable in a new series of 11% Senior Secured Interest Notes due 2018 (the "Interest Notes" and together with the 2018 Convertible Notes, the "Notes"). Interest on the Interest Notes is also payable in additional Interest Notes. The 2018 Convertible Notes are denominated in, and the Interest Notes will be denominated in, United States Dollars.

This prospectus covers resales from time to time by the selling securityholders named under "*Selling Securityholders*" (the "Selling Securityholders") of any or all of the 2018 Convertible Notes held by the Selling Securityholders and any Class A common shares, no par value (the "Class A Common Shares"), issuable upon conversion of the 2018 Convertible Notes. This prospectus also covers the resale from time to time by certain of the Selling Securityholders of an additional 10,826,268 Class A Common Shares beneficially owned by such Selling Securityholders. The 2018 Convertible Notes and the Class A Common Shares that may be resold pursuant to this prospectus are referred to collectively herein as the "Securities." The restructuring of the 2015 Notes and the simultaneous issuance of the New Notes is collectively referred to herein as the "Restructuring and New Notes Sale."

The Securities may be offered from time to time by the Selling Securityholders 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 proceeds from the sale of these Securities. See "*Use of Proceeds*."

The Notes bear interest at a rate of 11% per annum. Interest on the Notes accrues and is capitalized quarterly and will be payable on March 31, June 30, September 30 and December 31 of each year, beginning on March 31, 2016. Interest on the Notes is payable in Interest Notes. The Notes will mature on December 31, 2018.

Holders of the 2018 Convertible Notes may convert their 2018 Convertible Notes into 333.3333 Class A Common Shares per $1,000 principal amount of indebtedness evidenced by the 2018 Convertible Notes (which is equivalent to a conversion price of $3.00 per share), which conversion rate is subject to anti-dilution adjustments upon the occurrence of certain events. The Interest Notes are not convertible into our Class A Common Shares or any other security.

The Notes, together with the CVRs (as defined herein), are secured by a first lien on substantially all of our assets (excluding a security interest over our rights with respect to the ongoing Brisas arbitration (as defined herein) and only limited rights over the stock of our subsidiaries). The 2018 Convertible Notes are currently evidenced by physical certificates held in the names of the Selling Securityholders. In connection with the filing of the registration statement of which this prospectus forms a part, we have agreed to use commercially reasonable efforts to cause the 2018 Convertible Notes to become eligible for deposit with The Depository Trust Company ("DTC"). We have also agreed to use commercially reasonable efforts to cause the Interest Notes to become eligible for deposit with DTC prior to their first issuance in connection with a regular interest payment date on March 31, 2016. If the Interest Notes are not made eligible for deposit with DTC on that date, the Interest Notes will also be evidenced by physical certificates held in the names of the Selling Securityholders. If and when the Notes have been made eligible with DTC, the Notes will be evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected through, records maintained by DTC and its direct and indirect participants.

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 March 8, 2016, the closing sale prices of the Class A Common Shares as reported by the TSXV and OTCQB were Cdn $5.56 and $4.20, respectively. Our Class A Common Shares have full voting, dividend and liquidation rights. We do not intend to apply for a listing of the Notes on any securities exchange or for inclusion of the Notes in any automated quotation system.

An investment in the Securities is speculative and involves a high degree of risk. See "*Risk Factors*" beginning on page 14. You should read this document and the documents incorporated by reference into this prospectus before you invest.

Neither the Securities and Exchange Commission (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 and North Dakota.

The date of this prospectus is March 9, 2016.

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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 that may be offered and sold from time to time in one or more offerings by the Selling Securityholders named in the section "*Selling Securityholders*."

This prospectus only provides you with a general description of the Securities that the Selling Securityholders may sell or offer and the Interest Notes that you will receive in connection with the regular payment of interest on the Notes in the future (though the resale of such Interest Notes is not covered by this prospectus). Each time a Selling Securityholder sells 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. Neither we nor any Selling Securityholder has 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 subsidi
- "$", "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 AND INFORMATION

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: our ability to consummate the transactions contemplated by the Memorandum of Understanding (the "MOU") we entered into with the Bolivarian Republic of Venezuela ("Venezuela"), on February 24, 2016, with respect to the potential settlement, including the payment and resolution, of the amounts awarded (including pre and post award interest and legal costs) (the "Arbitral Award") by the International Centre for Settlement of Investment Disputes ("ICSID"), an amount yet to be agreed to by the parties in exchange for our contribution of the Mining Data (as defined herein) to the Brisas-Cristinas Project (as defined herein) and the potential subsequent joint development and financing of the Brisas-Cristinas Project by us and Venezuela; the ability of Venezuela to obtain financing on favorable terms, if at all, to fund the contemplated payments to us pursuant to the Arbitral Award or the other transactions contemplated by the MOU; risks associated with the concentration of our potential future operations and assets in Venezuela; the timing of our enforcement or collection of the Arbitral Award if the transactions contemplated by the MOU are not consummated; actions and/or responses by the Venezuelan government, including in connection with the negotiation of definitive documentation pursuant to the MOU and/or with respect to our ongoing collection efforts related to the Arbitral Award; economic and industry conditions influencing the sale of the Brisas Project (as defined herein) related equipment; conditions or events impacting our ability to fund our operations and/or service our debt; our ability to maintain listing of our Class A Common Stock on the TSXV and continued trading on the OTCQB; and our long-term plans for identifying and achieving revenue producing operations.

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 described in the forward-looking statements, including without limitation:

- our ability to reach agreement with Venezuela on definitive documentation for the transactions contemplated by the MOU and consummate such transactions;

- the ability of Venezuela to obtain financing on favorable terms, if at all, to fund the contemplated payments to us pursuant to the Arbitral Award or the other transactions contemplated by the MOU, including the potential development of the Brisas-Cristinas Project;

- the ability of the Company and Venezuela to obtain the approval of the National Executive Branch of the Venezuelan government to create a Special Economic Zone or otherwise provide tax and other economic benefits for the activities of the jointly owned entity (which we refer to herein as the "mixed company") contemplated by the MOU;

- our ability to satisfy our obligations under the Notes following any payment by Venezuela under the Arbitral Award or with respect to contribution by us of the Mining Data to the mixed company, and any subsequent distribution of remaining funds to our shareholders (subject in each case to the payment of outstanding or incurred corporate obligations and/or taxes);

- the timing of the consummation of the transactions contemplated by the MOU or our collection of the Arbitral Award, if at all;

- the costs associated with the enforcement and collection of the Arbitral Award, including the costs that we will incur in connection with the settlement of the Arbitral Award pursuant to the transactions contemplated by the MOU;

- the complexity and uncertainty of varied legal processes in multiple international jurisdictions associated with our ongoing efforts to collect the Arbitral Award (including the U.S.);

- concentration of our potential future operations and assets in Venezuela, including operational, regulatory, political and economic risks associated with Venezuelan operations;

- the potential for corruption and uncertain legal enforcement in Venezuela, including requests for improper payments;

- the potential that civil unrest, military actions and crime will impact our potential future operations and assets in Venezuela;

- risks associated with exploration and, if adequate reserves, financing and other resources are available, development of the Brisas-Cristinas Project (including regulatory and permitting risks);

- our current liquidity and capital resources and access to additional funding in the future when required;

- continued servicing or restructuring of our outstanding Notes or other obligations as they come due;

- our ability to maintain continued listing of our Class A Common Shares on the TSXV and continued trading on the OTCQB;

- our long-term plans for identifying and achieving revenue producing operations in the future;

- shareholder dilution resulting from restructuring or refinancing our outstanding Notes;

- shareholder dilution resulting from the conversion of our outstanding convertible notes, including the Notes, in part or in whole to equity;

- shareholder dilution resulting from the sale of additional equity;

- value realized from the disposition of the remaining Brisas Project related assets, if any;

- value realized from the disposition of the Mining Data, if any, pursuant to the transactions contemplated by the MOU or otherwise;

- prospects for our exploration and development of mining projects, including the potential joint development of the Brisas-Cristinas Project by us and Venezuela and any development we may pursue as a result of the Mining Property Acquisition (as defined herein);

- currency, metal prices and metal production volatility;

- adverse U.S. and/or Canadian tax consequences;

- our ability to continue to report as a "foreign private issuer" pursuant to Rule 3b-4 under the Exchange Act;
- abilities and continued participation of certain key employees; and

- other 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 Room 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, 2014 filed on April 24, 2015;

- Our unaudited interim consolidated financial statements as of March 31, 2015, June 30, 2015 and September 30, 2015, as filed on our reports on Form 6-K furnished on May 14, 2015, August 14, 2015 and November 27, 2015, respectively;

- Our reports on Form 6-K furnished on May 5, 2015, December 2, 2015, December 9, 2015, January 13, 2016, January 15, 2016, January 21, 2016, February 29, 2016 and March 4, 2016;

- The description of our Capital Stock 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 the event of conflicting information in these documents, the information in the latest filed documents shall control.

In addition, any future filings made with the SEC under the Exchange Act after the date of the registration statement of which this prospectus forms a part and prior to the effectiveness of the registration statement and on or 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 periods 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

On February 24, 2016, we entered into the MOU with Venezuela that contemplates settlement, including payment and resolution, of the Arbitral Award. Pursuant to the MOU and our discussions with Venezuela, if definitive documentation is entered into, and financing is arranged by Venezuela with our assistance on terms satisfactory to the parties:

- the Company and Venezuela would jointly develop the Brisas Project and the adjacent Cristinas gold-copper project into one combined project (the "Brisas-Cristinas Project") through a mixed company;

- Venezuela would pay (i) all amounts due under the Arbitral Award (including accrued interest) and (ii) an amount yet to be agreed to by the parties, in exchange for our contribution of the Mining Data to the Brisas-Cristinas Project;

- the mixed company is expected to be beneficially owned 55% by Venezuela and 45% by us;

- we would expect to be engaged under a technical assistance agreement to provide procurement, engineering and construction services for the Brisas-Cristinas Project; and

- the parties would seek the creation of a Special Economic Zone providing the establishment of a special customs framework for the mixed company and other tax and economic benefits, subject to the approval of the National Executive Branch of the Venezuelan government.

We currently contemplate that definitive documentation with respect to the creation of the mixed company and the settlement of the Arbitral Award could be executed in approximately 60 days, subject to various conditions including, without limitation, receipt of all necessary regulatory and corporate approvals and the successful negotiation and execution of the definitive documentation. It is anticipated that Venezuela, with our assistance, would work to obtain financing to fund the contemplated payments to us pursuant to the Arbitral Award and in connection with the contribution of the Mining Data to the mixed company, as well as $2.0 billion related to future capital costs of the Brisas-Cristinas Project. Each party will bear their own costs and expenses related to the consummation of the transactions contemplated by the MOU. Upon payment of the Arbitral Award as contemplated by the MOU, we will terminate our ongoing legal activities with respect to the Arbitral Award.

The MOU is not binding on either party and may be unilaterally terminated by either party at any time upon simple communication to the other party indicating the date of termination. The MOU will otherwise terminate on April 24, 2016. There can be no assurance that we will successfully consummate all, or any, of the transactions contemplated by the MOU or that Venezuela will successfully obtain financing on favorable terms, if at all, in a reasonable period of time or, if we and Venezuela are successful, that we and Venezuela will be able to successfully develop the Brisas-Cristinas Project and realize returns on such development.

If we do successfully consummate the transactions contemplated by the MOU, we expect to satisfy our outstanding obligations under the Notes and CVRs following any payment by Venezuela under the Arbitral Award or with respect to contribution by us of the Mining Data to the mixed company (subject to the payment of other outstanding or incurred corporate obligations and/or taxes). After settlement of all of our obligations, substantially all of the net proceeds of such payment is expected to be distributed to our shareholders.

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 the Securities.

The Company

We are incorporated under the laws of Alberta, Canada and are currently engaged primarily in managing the Brisas arbitration in an effort to enforce and collect the Arbitral Award or otherwise settle our dispute with the Venezuelan government. We also continue to look for opportunities to acquire, explore and develop mining projects. We consider ourselves 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, 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 smaller Choco 5 property (also located in Venezuela) were expropriated by the Venezuelan government in 2008. On September 22, 2014, the ICSID tribunal announced an Arbitral Award to the Company in the amount of $740.3 million in connection with the Brisas arbitration relating to such expropriations.

On February 24, 2016, we entered into the MOU with Venezuela that contemplates settlement, including payment and resolution, of the Arbitral Award, subject to various conditions including, without limitation receipt of all necessary regulatory and corporate approvals, the successful negotiation and execution of the definitive documentation and the ability of Venezuela to obtain the required financing with our assistance. In addition, on March 1, 2016, our wholly-owned subsidiary, Gold Reserve Corporation, completed the acquisition of certain wholly-held Alaska mining claims (the "Mining Property Acquisition") pursuant to a Purchase and Sale Agreement, dated as of January 12, 2016.

As of June 30, 2015 (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 *Business Corporations Act* (Alberta) (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, our shareholder composition again changed, which allowed us to return to foreign private issuer reporting, which we did 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 Securityholders

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

In the second quarter of 2012, certain of the Selling Securityholders or their affiliates, and certain other holders of the Company's 5.50% Senior Subordinated Convertible Notes due June 15, 2022 (the "Original Notes"), entered into a restructuring agreement with the Company whereby the Selling Securityholders or their affiliates and certain of the

other holders of the Original Notes participating in the transaction received approximately $33.8 million in cash, a total of 12,412,501 Class A Common Shares, 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 ("CVR") distributed pro-rata to the participating holders totaling 5.468% of any final award or settlement of our Brisas arbitration.

During the third quarter of 2013, we closed a private placement (the "2013 Private Placement") for gross proceeds of approximately $5.25 million. Pursuant to the 2013 Private Placement, we issued 1,750,000 units of securities of the Company (each a "Unit") at a price of Cdn $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. Certain of the Selling Securityholders or their affiliates participated in the 2013 Private Placement.

During the second quarter of 2014, the Selling Securityholders and/or certain of their affiliates entered into a subordinated note restructuring and note purchase agreement, dated as of June 18, 2014 (the "2014 Restructuring Agreement"). Pursuant to the 2014 Restructuring Agreement, we extended the maturity date of approximately $25.3 million aggregate principal amount of our 2014 Notes from June 29, 2014 to December 31, 2015 (which amended and restated notes we referred to herein as the 2015 Convertible Notes) and issued an additional $12.0 million aggregate principal amount of 2015 Convertible Notes for cash. In connection with the issuance of the 2015 Convertible Notes for cash, we paid a fee of 2.5% of the principal (or approximately $0.3 million) in the form of an OID. In addition, we paid a cash extension fee of 2.5% of the principal (or approximately $0.6 million) in connection with the amendment of the terms of the 2014 Notes.

On November 30, 2015, we consummated the Restructuring and New Notes Sale pursuant to a note restructuring and note purchase agreement, dated as of November 30, 2015 (the "2015 Restructuring Agreement"), among us and the Selling Securityholders. Pursuant to the 2015 Restructuring Agreement, we extended the maturity date of approximately $37.3 million aggregate principal amount of our 2015 Notes, together with approximately $5.6 million aggregate principal amount of our 2015 Interest Notes, from December 31, 2015 to December 31, 2018 and increased the principal amount of the 2015 Notes outstanding by approximately $0.8 million (an amount equal to the aggregate principal amount of any accrued and unpaid interest on the 2015 Notes to, but not including, the date of consummation of the Restructuring and New Notes Sale). Simultaneously with the amendment of the 2015 Notes, we also issued an additional approximately $12.3 million aggregate principal amount of the New Notes for cash proceeds of approximately $12 million. In connection with the issuance of the New Notes, we paid a fee of 2.5% of the principal (or approximately $0.3 million) in the form of OID. In addition, we issued the Restructuring Fee Notes, in aggregate principal amount of approximately $1.1 million as consideration for the amendment of the 2015 Notes (which represents a fee equal to 2.5% of the Amended Notes). See "*Description of the Notes*" for a discussion of the terms of the Notes.

The Notes, together with the CVRs (as discussed in more detail below), are secured by a first lien on substantially all of our assets (excluding a security interest over our rights with respect to the ongoing Brisas arbitration and only limited rights over the stock of our subsidiaries) whether now owned or existing or hereafter acquired or arising and regardless of where located, as collateral for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Company's obligations under the Notes and the CVRs (collectively, the "Collateral"), subject to certain exceptions. Pursuant to the terms of the CVRs, the CVRs were also required to be, and have been, secured on an equal and ratable basis with the Notes as to the Collateral. The CVRs will continue to be secured until such time that the Notes are no longer outstanding or the security interest securing the Notes is otherwise released.

See "*Selling Securityholders*" for the amount of each of the Securities beneficially owned by the Selling Securityholders prior to this offering, the amount of each of the Securities being registered for resale, as well as the percentage of each class of Securities that each Selling Securityholder will own after the completion of this offering.

The Offering

Class A Common Shares to be offered by the Selling Securityholders.....	Up to (i) 19,019,235 Class A Common Shares that are issuable upon the conversion of our 2018 Convertible Notes held by the Selling Securityholders and (ii) an additional 10,826,268 Class A Common Shares held by certain of the Selling Securityholders.
OTCQB Symbol for Class A Common Shares.....	GDRZF
TSXV Symbol for Class A Common Shares.....	GRZ.V
Notes to be offered by the Selling Securityholders.....	$57,057,717 aggregate principal amount of 11% Senior Secured Convertible Notes due 2018, which amount includes: • $43,668,994 aggregate principal amount of Amended Notes; • $1,091,723 aggregate principal amount of Restructuring Fee Notes; and • $12,297,000 aggregate principal amount of New Notes. The $12,297,000 aggregate principal amount of New Notes were issued under a different CUSIP number than the Amended Notes and the Restructuring Fee Notes. Purchasers of the 2018 Convertible Notes covered by this prospectus will be issued Interest Notes in connection with the regular payment of interest on the Notes. However, the resale of any such Interest Notes are not covered by this prospectus.
Maturity Date of the Notes.....	December 31, 2018, unless earlier repurchased or converted (if applicable).
Interest Payment Dates of the Notes.....	March 31, June 30, September 30 and December 31 of each year, beginning on March 31, 2016.
Interest.....	11% per annum accruing and capitalizing quarterly. Interest will be computed on the basis of a 360-day year comprised of 12 30-day months.
Ranking.....	The Notes are our secured indebtedness and rank (i) equal in right of payment with our other secured indebtedness that is permitted to be secured on a *pari passu* basis, including the CVRs, (ii) equal in right of payment to the Original Notes, (iii) effectively senior in right of payment to our existing and future unsecured indebtedness to the

	extent of the value of the Collateral securing the Notes and (iv) senior in right of payment to all of our future subordinated debt; provided, that any future incurrence of additional indebtedness by us or the provision of any security interest with respect to any indebtedness by us or the provision of any security interest with respect to any indebtedness in the future must be incurred or provided, as applicable, in compliance with the terms of the Indenture (as defined herein) underlying the Notes.
Collateral.....	The Notes, together with the CVRs, are secured by a first lien on substantially all of our assets (excluding a security interest over our rights with respect to the ongoing Brisas arbitration and only limited rights over the stock of our subsidiaries) whether now owned or existing or hereafter acquired or arising and regardless of where located, as Collateral, subject to certain exceptions. Pursuant to the terms of the CVRs, the CVRs were also required to be, and have been, secured on an equal and ratable basis with the Notes as to the Collateral. The CVRs will continue to be secured until such time that the Notes are no longer outstanding or the security interest securing the Notes is otherwise released.
Conversion Rights.....	Holders may convert their 2018 Convertible Notes at their option on any day to and including the business day immediately preceding the maturity date into 333.3333 Class A Common Shares per $1,000 principal amount of indebtedness evidenced by the 2018 Convertible Notes (which is equivalent to a conversion price of $3.00 per share), which conversion rate is subject to anti-dilution adjustments upon the occurrence of certain events. The Interest Notes are not convertible into our Class A Common Shares or any other security.
Trustee and Paying Agent.....	U.S. Bank National Association is the Trustee and paying agent. Computershare Trust Company of Canada is the Co Trustee.
Collateral Agent.....	U.S. Bank National Association is the collateral agent (the "Collateral Agent").
DTC Eligibility.....	The 2018 Convertible Notes are currently evidenced by physical certificates held in the names of the Selling Securityholders. In connection with the filing of the registration statement of which this prospectus forms a part, we have agreed to use commercially reasonable efforts to cause the 2018 Convertible Notes to become eligible for deposit with DTC. We have also agreed to use commercially reasonable efforts to cause the Interest Notes to become eligible for deposit with DTC prior to their first issuance in connection with a regular interest

	payment date on March 31, 2016. If the Interest Notes are not made eligible for deposit with DTC on that date, the Interest Notes will also be evidenced by physical certificates held in the names of the Selling Securityholders. If and when the Notes have been made eligible with DTC, the Notes will be exchanged for book-entry interests evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected through, records maintained by DTC and its direct and indirect participants. See "*Description of the Notes—Global note, book-entry form.*"
Listing and Trading of Notes.....	The Notes will not be listed on any securities exchange.
Governing Law.....	The Indenture and the Notes provide that they will be governed by, and construed in accordance with, the laws of the State of New York.
Terms of the Offering.....	Each Selling Securityholder will determine when and how it will sell the Securities offered in this prospectus.
Use of Proceeds.....	We will not receive any proceeds from the resale of the Securities by the Selling Securityholders. However, we did receive proceeds from the sale of the New Notes when originally offered in November 2015. We also received proceeds from the sale of additional 2015 Convertible Notes when originally offered in 2014 and from the sale of the Original Notes when originally offered in 2007. See "*Use of Proceeds*."
Risk Factors.....	See "*Risk Factors*" beginning on page 14 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 Information" and our filings with the SEC. These filings include our annual report on Form 40-F for the year ended December 31, 2014 filed with the SEC on April 24, 2015, 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 the Settlement or Other Collection of Arbitral Award

Failure to consummate the transactions contemplated by the MOU, including if we are unable to successfully negotiate and execute definitive documentation contemplated by the MOU (including related to the financing of payments thereunder), could materially adversely affect the Company.

On February 24, 2016, we entered into the MOU with Venezuela that contemplates settlement, including payment and resolution, of the Arbitral Award. Pursuant to the MOU and our discussions with Venezuela, if definitive documentation is entered into, and financing is arranged by Venezuela with our assistance on terms satisfactory to the parties, the Company and Venezuela would jointly develop the Brisas-Cristinas Project through a mixed company. In addition, Venezuela would pay (i) all amounts due under the Arbitral Award (including accrued interest), (ii) an amount yet to be agreed to by the parties, in exchange for our contribution of the Mining Data to the mixed company and fund $2.0 billion related to future capital costs of the Brisas-Cristinas Project.

Upon payment of the Arbitral Award as contemplated by the MOU, we will terminate our ongoing legal activities with respect to the Arbitral Award, which are described below under the caption " *In the event that we are not successful in consummating the transactions contemplated by the MOU, our failure to otherwise collect the Arbitral Award could materially adversely affect the Company*." However, the MOU is not binding on either party and may be terminated at any time by either party and consummation of the transactions contemplated by the MOU are subject to various conditions described below under the caption " *Consummation of the transactions contemplated by the MOU is subject to a number of conditions precedent that may not be completed*." Accordingly, there can be no assurance that we will successfully consummate all, or any, of the transactions contemplated by the MOU or that Venezuela will successfully obtain financing on favorable terms, if at all, in a reasonable period of time or, if we and Venezuela are successful, that we and Venezuela will be able to successfully develop the Brisas-Cristinas Project and realize returns on such development. Failure to consummate the transactions contemplated by the MOU, or a substantial passage of time before we are able to consummate such transactions, 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*").

Consummation of the transactions contemplated by the MOU is subject to a number of conditions precedent that may not be completed.

As previously discussed, we currently contemplate that definitive documentation with respect to the creation of the mixed company and the settlement of the Arbitral Award could be executed in approximately 60 days, subject to various conditions including, without limitation, receipt of all necessary regulatory and corporate approvals and the successful negotiation and execution of the definitive documentation. It is anticipated that Venezuela would, with our assistance, work to obtain financing to fund the contemplated payments to us pursuant to the Arbitral Award and in connection with the contribution of the Mining Data to the mixed company, as well as fund $2.0 billion related to future capital costs of the Brisas-Cristinas Project. We, together with Venezuela also expect to seek the creation of a

Special Economic Zone providing the establishment of a special customs framework for the mixed company and other tax and economic benefits, subject to the approval of the National Executive Branch of the Venezuelan government.

There can be no assurances that we will be able to successfully negotiate definitive documentation with Venezuela for the transactions contemplated by the MOU prior to its termination, or that the terms of such documentation will be acceptable to us or not differ materially from the terms contemplated by the MOU. Even if we are successful in negotiating definitive documentation on terms acceptable to us, there can be no assurances that Venezuela will be successful in obtaining required financing for the transactions contemplated by the MOU on favorable terms, if at all. In addition, we and Venezuela may not be successful in obtaining the approval of the National Executive Branch of the Venezuelan government to create a Special Economic Zone or otherwise realize expected tax and other economic benefits for the activities of the mixed company. If any of the conditions precedent are not completed or approvals are not obtained, as applicable, we may be unable to consummate the transactions contemplated by the MOU in a reasonable period of time, if at all, or we may not realize the expected benefits of such transactions. Such failure may require us to seek to renegotiate a settlement with Venezuela or otherwise continue the lengthy enforcement and collection process and 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*").

Resuming exploration and, if determined feasible, development activities on the Brisas-Cristinas Project will require an enormous amount of work and financing and there is no assurance that the project would be determined feasible or, if so, any production would be obtained in a profitable manner, if at all.

We understand no formal exploration or development activities have taken place at the proposed location of the Brisas-Cristinas Project for some time. Even if definitive documentation is successfully negotiated and executed with respect to the transactions contemplated by the MOU and Venezuela successfully completes required financing and makes the contemplated payments to us thereunder, enormous amounts of work and financing would be required to re-commence work on the Brisas-Cristinas Project. We can provide no assurances that the project or its development would be determined feasible or, if so, any production would be obtained in a profitable manner, if at all. Given the pending nature of the MOU and the lack of any current exploration or development plan for the Brisas-Cristinas Project, this prospectus does not cover such prospects, nor can any assurances be given regarding the same.

If we are successful in consummating the transactions contemplated by the MOU, our potential future operations at the Brisas-Cristinas Project will be concentrated in a foreign country and will be subject to inherent local risks.

If we are successful in consummating the transactions contemplated by the MOU, our potential future operations at the Brisas-Cristinas Project will be located in Venezuela and, as a result, we will be subject to operational, regulatory, political and economic risks, including:

- the effects of local political, labor and economic developments, instability and unrest;
- significant or abrupt changes in the applicable regulatory or legal climate;
- currency instability, fluctuations, repatriation restrictions, operation in a highly inflationary economy and the environment surrounding the financial markets and exchange rate in Venezuela;
- international response to Venezuelan domestic and international policies;
- exchange controls and mineral exports or sale restrictions;
- invalidation, confiscation, expropriation or rescission of governmental orders, permits, agreements or property rights;
- competition with companies from countries that are not subject to Canadian and U.S. laws and regulations;
- laws or policies of foreign countries and Canada affecting trade, investment and taxation;
- civil unrest, military actions and crime;

- corruption, requests for improper payments, or other actions that may violate Canadian and U.S. foreign corrupt practices acts, uncertain legal enforcement and physical security; and

- new regulations on mining, environmental and social issues.

In the event that we are not successful in consummating the transactions contemplated by the MOU, our failure to otherwise collect the Arbitral Award could materially adversely affect the Company.

In October 2009, we initiated the Brisas arbitration under the Additional Facility Rules of the ICSID of the World Bank (the "Brisas arbitration"). On September 22, 2014, the ICSID Tribunal unanimously awarded damages to the Company totaling $740.3 million, plus post award interest at a rate of LIBOR plus 2% per annum.

Although the process of getting the Arbitral Award recognized and enforced is different in each jurisdiction, the process in general is we file a petition or application to confirm the Arbitral Award with the competent court; Venezuela has the right to oppose such petition for confirmation or recognition; thereafter there are a number of filings made by both parties and in some cases hearings before the court. If the court subsequently confirms the enforcement of the Arbitral Award then the court will issue a judgment against Venezuela. Thereafter we will begin the process of executing the judgment by identifying and attaching specific property owned by Venezuela that is not protected by sovereign immunity. We are currently pursuing enforcement of the Arbitral Award in number of jurisdictions and will continue to do so pending the consummation of the transactions contemplated by the MOU.

For example, in October 2014 Venezuela applied for the annulment of the Arbitral Award, and we applied for an *exequatur* or judgment declaring the Arbitral Award to be recognized and enforceable in France. Venezuela responded to our request for *exequatur* by asking that our request be rejected and, in the alternative, that the provisional recognition and enforcement, which attaches to the *exequatur* pending a decision on annulment, be suspended. In January 2015, the Paris Court of Appeal fully upheld our position by granting the *exequatur* and rejecting Venezuela's application for a suspension of the provisional effects of the *exequatur.* Venezuela's application for annulment was subsequently scheduled to be heard in February 2016.

On January 6, 2016, the Paris Court of Appeal notified us that, as part of the general administration of its docket, it had postponed the February 2016 hearing related to Venezuela's applications to October 13, 2016. On January 14, 2016, the Paris Court of Appeal advised us that a hearing date in March 2016 had recently become available, and both parties have agreed to the revised hearing date. We have been advised that the Court has accumulated a backlog of cases as a result of the president of the court being promoted to the Court of Cassation (French Supreme Court), without being replaced to date. A decision is expected within 90 days after the newly established hearing date. In the interim, we are not prevented from seizing assets and could have them liquidated, subject to the obligation to reimburse Venezuela if the Arbitral Award is set aside.

In the United States, on November 20, 2015, the U.S. District Court in Washington, D.C. issued an order confirming the Arbitral Award and entering judgment in our favor. Venezuela has filed an appeal of the court's order but it has not posted an appeal bond or sought a stay of enforcement of the judgment pending appeal. On January 21, 2016, Venezuela filed a motion for a stay of execution of the Judgment pending appeal without it having to file an appeal bond. The Company filed an opposition, and Venezuela filed a reply. On February 24, 2016, the district court denied Venezuela's above-referenced motion for a stay of execution pending appeal. Under the Foreign Sovereign Immunities Act ("FSIA"), no attachment or execution against property of Venezuela in the U.S. is permitted without a court determination that (a) the property in question is used for a commercial activity in the United States and one of seven specified exceptions is satisfied and (b) a reasonable period of time has elapsed following the entry of judgment. Subsequent to the entry of judgment, we have filed a 1610(c) motion in the District Court in Washington, D.C. for a determination that a reasonable period of time has elapsed. The District Court in Washington, D.C. issued an order on January 20, 2016, confirming that a "reasonable period of time" has passed since the November 20, 2015 judgment

confirming the Arbitral Award. As a result, we have filed a motion in the District Court in Washington, D.C. requesting an additional order allowing us to register the judgment in other U.S. District Courts to pursue the attachment of assets.

In the District Court for the Southern District of Florida, we have filed petitions relating to the Luxembourg proceedings as is allowed under U.S. law for discovery in aid of foreign proceedings. The banks covered by the Florida proceedings to date are Bank of New York Mellon Corporation, JP Morgan Chase NA, and Deutsche Bank Trust Company Americas. These institutions have produced varying amounts of documents and we have commenced the process of document review and appropriate depositions.

We have filed an application to have the Arbitral Award recognized and enforced in the United Kingdom. Such application was granted and we obtained an Order and Judgment in the terms of the Arbitral Award on May 20, 2015. Venezuela challenged the Order and Judgment, asserting service, jurisdictional, and merits issues. Certain of these arguments have been made in other jurisdictions. A hearing took place in London during the time period January 18 to 20, 2016 and judgment was handed down on February 2, 2016 whereby the Court dismissed Venezuela's challenge but granted Venezuela permission to appeal the Court's decisions in relation to sovereign immunity and procedure. The Company intends to take all available steps to ensure that any appeal is resolved as quickly as possible, and that any further application that Venezuela may make to set aside the Order and Judgment will be dealt with expeditiously, so that enforcement can proceed without further delay.

Pending the consummation of the transactions contemplated by the MOU, we will continue to pursue enforcement and collection of the Arbitral Award as described above. Enforcement and collection of the Arbitral Award is a lengthy process and will be ongoing for the foreseeable future if we are not successful in consummating the transactions contemplated by the MOU. In addition, the cost of pursuing collection of the Arbitral Award will be substantial and there is no assurance that we will be successful. Failure to otherwise collect the Arbitral Award if we are not successful in consummating the transactions contemplated by the MOU, or a substantial passage of time before we are able to otherwise collect the Arbitral 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 cannot predict when or if the Arbitral Award will be collected either partially or in full if we are unsuccessful in consummating the transactions contemplated by the MOU.

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 historically 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. As described under " *In the event that we are not successful in consummating the transactions contemplated by the MOU, our failure to otherwise collect the Arbitral Award could materially adversely affect the Company*," we expect that the timing for our various efforts to enforce and collect the Arbitral Award will be lengthy and we are not able to estimate the timing or likelihood of collection of the Arbitral Award, if any. Accordingly, if we are not successful in consummating the transactions contemplated by the MOU, there can be no assurances that the Arbitral Award will be otherwise collected or settled, in whole or in part, within any specific or reasonable period of time.

Risks Relating to the Notes

Our ability to generate the cash needed to pay principal amounts on Notes or pay similar obligations in the future depends on many factors, some of which are beyond our control.

We are currently primarily engaged in managing the Brisas arbitration in an effort to enforce and collect the Arbitral Award or otherwise settle our dispute with the Venezuelan government, including pursuant to our efforts to consummate the transactions contemplated by the MOU. We have no commercial production and no ability to generate cash from operations to meet scheduled payments. If our capital resources are insufficient to fund our

operational or debt service obligations and/or we cannot collect or otherwise settle the Arbitral Award, in whole or in part, we may be forced to seek to obtain additional equity capital, restructure our debt, file for *Companies' Creditors Arrangement Act* (Canada) protection, reduce or delay capital expenditures or sell assets. There can no assurance that we will have, or be able to generate, sufficient capital resources in the future or that we will be successful in consummating the transactions contemplated by the MOU or otherwise collecting the Arbitral Award.

We may not have sufficient cash to repurchase the Notes upon the occurrence of a fundamental change, upon the conversion of the 2018 Convertible Notes or if an event of default with respect to the Notes occurs and is continuing, as required by the Indenture.

We will be required to make an offer to repurchase the Notes upon the occurrence of a fundamental change as described under "*Description of the Notes*." We may not have sufficient funds to repurchase the Notes in cash or to make the required repayment at such time or have the ability to arrange necessary financing on acceptable terms.

A fundamental change may also constitute an event of default or require prepayment under, or result in the acceleration of the maturity of, our other indebtedness outstanding at the time. Our ability to repurchase the Notes in cash or make any other required payments may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time. Our failure to repurchase the Notes or pay cash or issue our Class A Common Shares in respect of conversions, if applicable, when required would result in an event of default with respect to the Notes.

If an event of default occurs and is continuing, the Trustee or the holders of at least 25% in principal amount of the outstanding Notes may declare the principal amount of the Notes and interest, including additional amounts, if any, on the outstanding Notes to be immediately due and payable. In case of certain events of bankruptcy, insolvency or reorganization involving us or our subsidiaries, principal amount plus interest, including additional amounts, if any, on the Notes will automatically become due and payable.

We could incur substantially more debt and may take other actions which may affect our ability to satisfy our obligations under the Notes.

Subject to the limitations described under "*Description of the Notes*" we will not be restricted under the terms of the Notes or the Indenture from incurring or guaranteeing additional indebtedness, including secured debt. In addition, the covenants applicable to the Notes do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. We may incur additional substantial debt in the future. In addition, such additional indebtedness could contain covenants that, among other things, restrict our ability to sell assets, incur additional secured indebtedness, engage in mergers or consolidations and engage in transactions with affiliates. We could also be required to comply with specified financial ratios and terms. Our ability to recapitalize, incur additional debt that may contain covenants and take a number of other actions that are not limited by the terms of the Notes or the Indenture could have important consequences to holders of Notes, including:

- impairment of our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general purposes and our ability to satisfy our obligations with respect to the Notes;

- dedication of a substantial portion of our cash flow from operations to payments on our indebtedness, which would reduce the availability of cash flow to fund our operations, working capital and capital expenditures; and

- limitation of our flexibility to adjust to changing market conditions and ability to withstand competitive pressures, and increased vulnerability to a downturn in general economic conditions or our business that could impair our ability to carry out capital spending that is necessary or important to our business strategy.

Some significant restructuring transactions may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the Notes.

Upon the occurrence of a fundamental change, we will be required to make an offer to repurchase the Notes. The fundamental change provisions, however, will not afford protection to holders of the Notes in the event of certain transactions. For example, certain leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to make an offer to repurchase the Notes, even though any of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of the Notes.

Upon the occurrence of a fundamental change and in connection with your right to require us to repurchase the Notes, we may satisfy our obligations through the issuance of our Class A Common Shares, the value of which may decrease.

You may not receive cash for Notes you hold in connection with our offer to repurchase the Notes upon the occurrence of a fundamental change or in connection with your right to require us to repurchase the Notes if we elect to satisfy our obligations by issuing to you Class A Common Shares. The number of Class A Common Shares we will issue will depend on the market price of our Class A Common Shares at the time. Because the value of the Class A Common Shares we may issue upon the occurrence of a fundamental change or in connection with your right to require us to repurchase the Notes will be determined prior to the settlement of the shares, you will bear the risk that the value of the Class A Common Shares may decrease between the time the price is set and settlement.

Upon conversion of the 2018 Convertible Notes, we will have the option to deliver cash in lieu of some or all the Class A Common Shares to be delivered upon conversion, the amount of cash to be delivered per 2018 Convertible Note being calculated on the basis of average prices over a specified period, and you may receive fewer proceeds than expected.

Upon conversion of the 2018 Convertible Notes, we will have the option to deliver cash in lieu of some or all the Class A Common Shares to be delivered upon conversion. As described below under "*Description of the Notes—Conversion rights,*" the amount of cash to be delivered per 2018 Convertible Note will be equal to the number of Class A Common Shares in respect of which the cash payment is being made multiplied by the average of the Daily VWAP (as defined herein) price of the Class A Common Shares on the corresponding Bloomberg screen for the 10 trading days commencing one day after (x) the date of our notice of election to deliver all or part of the conversion consideration in cash if we have not given notice of redemption or (y) the conversion date, in the case of conversion following notice of redemption specifying our intention to deliver cash upon conversion. Accordingly, upon conversion of a 2018 Convertible Note, holders might not receive any Class A Common Shares and, if the above-referred prices decline over the 10-day period, they might receive fewer proceeds than expected. Our failure to convert the 2018 Convertible Notes into cash or a combination of cash and Class A Common Shares upon exercise of a holder's conversion right in accordance with the provisions of the Indenture would constitute a default under the Indenture. In addition, a default under the Indenture could lead to a default under future agreements governing our indebtedness. If, due to a default, the repayment of related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and the Notes.

The adjustment to the conversion rate for 2018 Convertible Notes converted in connection with a specified corporate transaction may not adequately compensate you for any lost value of your 2018 Convertible Notes as a result of such transaction.

If a specified corporate transaction that constitutes a fundamental change occurs, under certain circumstances we will increase the conversion rate by a number of additional Class A Common Shares for 2018 Convertible Notes converted in connection with such specified corporate transaction. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction becomes effective and the price paid per Class A Common Share in such transaction, as described below under "*Description of the Notes—Conversion rate adjustments.*" The adjustment to the conversion rate for 2018 Convertible Notes converted in connection with a specified corporate transaction may not adequately compensate you for any lost value of your 2018 Convertible Notes as a result of such transaction.

The conversion rate of the 2018 Convertible Notes may not be adjusted for all dilutive events.

The conversion rate of the 2018 Convertible Notes will be subject to anti-dilution adjustment for certain events, including, but not limited to, the issuance of dividends on our Class A Common Shares, the issuance of certain rights or warrants, subdivisions, combinations, distributions of share capital, indebtedness or assets, cash dividends and certain issuer tender or exchange offers as described under "*Description of the Notes*." However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer, an issuance of Class A Common Shares for cash or an issuance of options pursuant to our incentive plans, that may adversely affect the trading price of the 2018 Convertible Notes, if any, or the Class A Common Shares. An event that adversely affects the value of the 2018 Convertible Notes may occur, and that event may not result in an adjustment to the conversion rate.

The Notes may not have an active market and their price may be volatile. You may be unable to sell your Notes at the price you desire or at all.

There is no existing trading market for the Notes and the Company has no obligation to list the Notes at any time. The Company has not and does not intend to list the Notes on any United States or Canadian securities exchange or market place. As a result, there can be no assurance that a liquid market will develop or be maintained for the Notes, that you will be able to sell any of the Notes at a particular time (if at all) or that the prices you receive if or when you sell the Notes will be above their initial offering price. In addition, the Interest Notes are a different series of securities than the 2018 Convertible Notes. As a result, the markets for the 2018 Convertible Notes and the Interest Notes, if any, may be less liquid.

The Notes may not be rated or may receive a lower rating than anticipated.

We do not intend to seek a rating on the Notes. However, if one or more rating agencies rates the Notes and assigns the Notes a rating lower than the rating expected by investors, or reduces their rating in the future, the market price of the Notes and our Class A Common Shares could be harmed.

If you hold 2018 Convertible Notes, you will not be entitled to any rights with respect to our Class A Common Shares, but you will be subject to all changes made with respect to our Class A Common Shares.

If you hold 2018 Convertible Notes, you will not be entitled to any rights with respect to our Class A Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on our Class A Common Shares, other than any extraordinary distribution that our board of directors designates as payable to the holders of the 2018 Convertible Notes), but if you subsequently convert your 2018 Convertible Notes into Class A Common Shares, you will be subject to all changes affecting the Class A Common Shares. You will have rights with respect to our Class A Common Shares only if and when we deliver Class A Common Shares to you upon conversion of your 2018 Convertible Notes and, to a limited extent, under the conversion rate adjustments applicable to the 2018 Convertible Notes. For example, in the event that an amendment is proposed to our charter documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Class A Common Shares to you, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers or rights of our Class A Common Shares that result from such amendment.

We will use our commercially reasonably efforts to make the Notes eligible to be held in book-entry form and, if the Notes are held in book-entry form, you will be required to rely on the procedures and the relevant clearing systems to exercise your rights and remedies.

The 2018 Convertible Notes are currently evidenced by physical certificates held in the names of the Selling Securityholders. In connection with the filing of the registration statement of which this prospectus forms a part, we

have agreed to use commercially reasonable efforts to cause the 2018 Convertible Notes to become eligible for deposit with DTC. We have also agreed to use commercially reasonable efforts to cause the Interest Notes to become eligible for deposit with DTC prior to their first issuance in connection with a regular interest payment date on March 31, 2016. If the Interest Notes are not made eligible for deposit with DTC on that date, the Interest Notes will also be evidenced by physical certificates held in the names of the Selling Securityholders. If and when the Notes have been made eligible with DTC, the Notes will be exchanged for book-entry interests evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected through, records maintained by DTC and its direct and indirect participants. Unless and until such book-entry interests in the Notes are again exchanged for physical notes, owners of the book-entry interests will not be considered owners or holders of Notes. Instead, the common depository, or its nominee, will be the sole holder of the Notes. Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made to the paying agent, which will make payments to DTC. Thereafter, such payments will be credited to DTC participants' accounts that hold book-entry interests in the Notes in global form and will thereafter be credited by such participants to indirect participants. Unlike holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC or, if applicable, a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

We may not be able to refinance or extend the maturity date of the Notes if required or if we so desire.

We may need or desire to refinance or extend the maturity date of all or a portion of the Notes or any other future indebtedness that we may incur on or before the maturity date of the Notes. There can be no assurance that we will be able to refinance or otherwise extend the maturity date of any of our indebtedness or incur additional indebtedness on commercially reasonable terms, if at all, which may result in an event of default that would require us to file for protection under the *Companies' Creditors Arrangement Act* (Canada).

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.

We originally issued, in May 2007, $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 approximately $101.3 million of our then outstanding approximately $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 a total of 12,412,501 Class A Common Shares, 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 CVR distributed pro-rata to the participating holders totaling 5.468% of any final award or settlement of our Brisas arbitration. Following the 2012 restructuring, approximately $1 million aggregate principal amount of Original Notes remains outstanding.

In June 2014, pursuant to the 2014 Restructuring Agreement, we restructured almost all of our approximately $25.3 million aggregate principal amount of 2014 Notes and issued an additional $12.0 million aggregate principal amount of 2015 Convertible Notes to certain of the Selling Securityholders or their affiliates.

In the fourth quarter of 2015, we restructured all of our approximately $37.3 million aggregate principal amount of 2015 Convertible Notes, together with the approximately $5.6 million aggregate principal amount of our 2015 Interest Notes that were outstanding, including increasing the principal amount of such notes by approximately $0.8 million (an amount equal to the aggregate principal amount of accrued and unpaid interest on the 2015 Notes to, but not including, the date of consummation of the restructuring). In connection with the Restructuring and New Notes Sale, we issued approximately $43.7 million aggregate principal amount of Amended Notes to certain of the Selling Securityholders or their affiliates. As consideration for agreeing to amend the terms of the 2015 Notes, we also issued an additional approximately $1.1 million aggregate principal amount of Restructuring Fee Notes to holders of the 2015 Notes (which represents a fee equal to 2.5% of the Amended Notes). Finally, simultaneously with the issuance of the Amended Notes and the Restructuring Fee Notes, we also issued an additional approximately $12.3 million aggregate principal amount of New Notes for cash proceeds of approximately $12 million. The approximately $57.1 million aggregate principal amount of 2018 Convertible Notes mature on December 31, 2018 (convertible into Class A Common Shares under certain circumstances at $3.00 per share). Any Interest Notes to be issued in the future in connection with the payment of interest on the 2018 Convertible Notes and previously issued Interest Notes also mature on December 31, 2018, but are not convertible for our Class A Common Shares or any other security.

As of December 31, 2015, we had outstanding approximately $58.1 million aggregate principal amount of convertible notes of which approximately $57.1 million aggregate principal amount are 2018 Convertible Notes and approximately $1 million aggregate principal amount are Original Notes. If all of such convertible notes were converted to Class A Common Shares at their current conversion rates, an additional approximately 19.3 million Class A Common Shares would be issued, thereby significantly diluting the ownership of existing shareholders.

The value of the Collateral may not be sufficient to satisfy all the obligations secured by such Collateral. As a result, holders of the Notes may not receive full payment on their Notes following an event of default.

No appraisal of any Collateral was made in connection with the Restructuring and New Notes Sale. The value of the Collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. By its nature, some or all of the Collateral may not have a readily ascertainable market value or may not be saleable or, if saleable, there may be substantial delays in its liquidation. In particular, the value of Collateral will be heavily dependent upon our ability to consummate the transactions contemplated by the MOU or otherwise collect proceeds from the Arbitral Award and/or sell or otherwise receive value for the Mining Data. See "*Risks Related to the Settlement or Other Collection of Arbitral Award Failure to consummate the transactions contemplated by the MOU, including if we are unable to successfully negotiate and execute definitive documentation contemplated by the MOU (including related to the financing of payments thereunder), could materially adversely affect the Company*," "*Risks Related to the Settlement or Other Collection of Arbitral Award In the event that we are not successful in consummating the transactions contemplated by the MOU, our failure to otherwise collect the Arbitral Award could materially adversely affect the Company*" and "*Risks Related to the Business Failure to sell or otherwise receive value for the Mining Data could have an adverse effect on us."* To the extent that liens, security interests and other rights granted to other parties encumber assets owned by us, those parties have or may exercise rights and remedies with respect to the property subject to their liens that could adversely affect the value of that Collateral and the ability of the Collateral Agent to realize or foreclose on that Collateral. Consequently, we cannot assure you that liquidating the Collateral securing the Notes and the CVRs would produce proceeds in an amount sufficient to pay any amounts due under the Notes. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the Notes, the holders of the Notes (to the extent not repaid from the proceeds of the sale of the Collateral securing the Notes) would have only an unsecured, unsubordinated claim against our remaining assets.

Rights of holders of the Notes in the Collateral may be adversely affected by bankruptcy proceedings.

The right of the Collateral Agent to repossess and dispose of the Collateral securing the Notes upon acceleration is likely to be significantly impaired by applicable U.S. and Canadian bankruptcy laws if bankruptcy proceedings are commenced by or against us prior to or possibly even after the Collateral Agent has repossessed and disposed of the Collateral.

Under the U.S. Bankruptcy Code, a secured creditor, such as the Collateral Agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, U.S. bankruptcy law permits the debtor to continue to retain and to use Collateral, and the proceeds, products, rents, or profits of the Collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the Collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the Collateral as a result of the stay of repossession or disposition or any use of the Collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a U.S. bankruptcy court, it is impossible to predict how long payments under the Notes could be delayed following commencement of a bankruptcy case, whether or when the Collateral Agent would repossess or dispose of the Collateral, or whether or to what extent holders of the Notes would be compensated for any delay in payment of loss of value of the Collateral through the requirements of "adequate

protection." Furthermore, in the event the bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Notes, as well as all obligations secured by *pari passu* or senior liens on the Collateral, including the CVRs, the holders of the Notes would have "undersecured claims" as to the difference. U.S. bankruptcy laws do not provide "adequate protection" for undersecured claims or permit the payment or accrual of interest, costs, and attorneys' fees for "undersecured claims" during the debtor's bankruptcy case.

Under various Canadian bankruptcy, insolvency and restructuring statutes or Canadian federal or provincial receivership laws, including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Canada Business Corporations Act*, the *Winding-up and Restructuring Act*, and various provincial corporate statutes (collectively, "Canadian Insolvency and Restructuring Laws"), the Collateral Agent's rights and ability to repossess its security from a debtor may also be significantly impaired or delayed. Moreover, Canadian Insolvency and Restructuring Laws may permit the debtor to continue to retain and to use Collateral, and the proceeds, products, rents, or profits of the Collateral, even though the debtor is in default under the applicable debt instruments, without the same "adequate protection" requirements as exist under U.S. bankruptcy laws. In view of the broad discretionary powers of courts under Canadian Insolvency and Restructuring Laws, it is impossible to predict how long payments under the Notes could be delayed following commencement of a proceeding under Canadian Insolvency and Restructuring Laws or whether or when the Collateral Agent would repossess or dispose of the Collateral. The powers of the court under Canadian Insolvency and Restructuring Laws are exercised broadly to protect a debtor and its estate from actions taken by creditors and others.

Canadian Insolvency and Restructuring Laws also contain provisions enabling a debtor to prepare and file a proposal or a plan of arrangement or reorganization for consideration by all or some of its creditors, to be voted on by the various classes of creditors affected thereby. Such a restructuring proposal or plan of arrangement or reorganization, if accepted by the requisite majority of each class of affected creditors and if approved by the relevant Canadian court, would be binding on all creditors of the debtor within the affected classes, including potentially all holders of the Notes. Such a proposal or plan of arrangement or reorganization may have the effect of compromising certain rights available to holders of the Notes or the Collateral Agent.

Any future pledge of Collateral may be avoidable in bankruptcy.

Any future pledge of Collateral in favor of the Collateral Agent may be avoidable by the pledgor (a debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if:

- the pledgor is insolvent at the time of the pledge;

- the pledge permits the holder of the Notes and CVRs to receive a greater recovery than if the pledge had not been given; and

- a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period.

Rights of holders of Notes and CVRs in the Collateral may be adversely affected by the failure to perfect liens on the Collateral or on Collateral acquired in the future. Any future pledge of collateral may be avoidable in bankruptcy.

The Notes, together with the CVRs, are secured by a first lien on substantially all of our assets (excluding a security interest over our rights with respect to the ongoing Brisas arbitration and only limited rights over the stock of our subsidiaries), whether now owned or acquired or arising in the future. The failure to properly perfect liens on the Collateral could adversely affect the Collateral Agent's ability to enforce its rights with respect to the Collateral for the benefit of the holders of the Notes. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest or lien can only be perfected at the time such property and rights are acquired and identified. The Collateral Agent will not monitor, and there can be no assurance that we will inform the Collateral Agent of, the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken by us to properly perfect the security interest in such after acquired Collateral. The Collateral Agent for the Notes has no obligation to monitor the acquisition of additional property or rights that constitute Collateral or the

perfection of any security interests therein. Such failure may result in the loss of the practical benefits of the liens thereon or of the priority of the liens securing the notes against third parties.

Risks Related to the Class A Common Shares

Failure to maintain the listing of our Class A Common Shares on the TSXV could have adverse effects.

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 such rules, which include the TSXV Corporate Finance Policies and, as a result, could be subject to loss of our listing and future delisting actions.

As we are currently listed on the TSXV in the category of "Mining Issuer" we are required to hold an interest of 50% or more in a qualifying property or the right to acquire such an interest in a qualifying property in order to maintain our listing. On January 12, 2016, our wholly-owned subsidiary, Gold Reserve Corporation, entered into a Purchase and Sale Agreement to acquire certain wholly-held Alaska mining claims together with certain personal property, for a purchase price of $350,000 payable in cash upon closing of the acquisition (which we refer to herein as the Mining Property Acquisition). On March 1, 2016, the Mining Property Acquisition was completed and, as a result, we are currently in compliance with the applicable TSXV listing rule.

While we endeavor to do so, we cannot provide assurances that we will always remain in compliance with applicable listing standards. A delisting of our Class A Common Shares from the TSXV 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 access 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:

- developments in our efforts to consummate the transactions contemplated by the MOU;
- developments in our other effort to collect the Arbitral Award and/or sell the Mining Data;
- economic and political developments in Venezuela, including Venezuela's inability to pay interest and principal related to its sovereign and/or PDVSA's debt;
- our operating performance and financial condition;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general purposes;
- shareholder dilution resulting from restructuring or refinancing our outstanding notes and current accounts payable relating to our legal fees;
- the public's reaction to announcements or filings by us or other companies;

- the price of gold and copper and other metal prices;
- the addition or departure of key personnel; and
- acquisitions, strategic alliances or joint ventures involving the Company and/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.

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 2018 Convertible Notes to restructure 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. The Company may declare cash dividends or make distributions in the future only if earnings and capital of the Company are sufficient to justify the payment of such dividends or distributions. Subject to applicable regulatory requirements regarding capital and reserves for operating expenses, accounts payable and taxes, the Company expects to distribute, in the most cost efficient manner, a substantial majority of any net proceeds after fulfillment of the Company's obligations.

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 consummate the transactions contemplated by the MOU or the Arbitral Award is otherwise collected, the Mining Data is otherwise sold and/or we acquire or invest in alternative projects and achieves commercial production.

We may be unable to continue as a going concern.

We have no revenue producing operations at this time and our working capital position, cash burn rate and debt maturity schedule may require that we seek additional sources of funding to ensure our ability to continue activities in the normal course. Our efforts to address longer-term funding requirements 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. In view of these uncertainties there is substantial doubt about our ability to continue as a going concern, which may require us to file for protection under the *Companies' Creditors Arrangement Act* (Canada).

Failure to sell or otherwise receive value for the Mining Data could have an adverse effect on us.

The Mining Data represents a compilation of all of the technical and engineering information from the developmental work performed by us up to the point of commencing construction at the Brisas Project. As a result of the transactions contemplated by the MOU, we would contribute the Mining Data to the Brisas-Cristinas Project in exchange for consideration in an amount yet to be agreed to by the parties. If we are not successful in consummating the transactions contemplated by the MOU, including contribution of the Mining Data in exchange for such consideration, we may not be able to sell or otherwise receive value for the Mining Data which 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.

Failure to attract new and/or retain existing key personnel could adversely affect us.

We are dependent upon the abilities and continued participation of key personnel to manage negotiations with Venezuela and other activities related to the consummation of the transactions contemplated by the MOU, other efforts related to the enforcement and collection of the Arbitral Award and sale of the Mining Data and to identify, acquire and develop new opportunities. Substantially all key management personnel have been employed by us for over 20 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 new personnel necessary to execute the transactions contemplated by the MOU or future efforts 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, permitting, development and operating stages), therefore, we can provide no assurances as to the future success of our 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, 2015, 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, 2015, 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 the Notes and Class A Common Shares.

There are material tax risks associated with holding and selling or otherwise disposing the Notes and Class A Common Shares, which are described in more detail under "*Taxation*." Each prospective investor is urged to consult its own tax advisor regarding the tax consequences to him or her with respect to the ownership and disposition of the Notes and 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 securities 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 September 30, 2015 on (i) an actual basis and (ii) as adjusted to give effect to the consummation of the Restructuring and New Notes Sale on November 30, 2015. The amounts shown below are unaudited. The information in this table should be read in conjunction with and is qualified by reference to other financial information in this prospectus.

	As at September 30, 2015 (Unaudited)	
	Actual	**As adjusted**
Cash, cash equivalents and marketable securities	$2,425,353	$13,396,798
Borrowings:		
Short-term borrowing	41,397,513	
Long-term borrowing	1,042,000	
Secured long-term borrowing	-	38,664,988
Total borrowing	42,439,513	38,664,988
Equity:		
Class A common shares	289,518,018	289,518,018
Contributed surplus[1]	12,226,559	30,335,733
Stock options	20,904,923	20,904,923
Accumulated deficit	(354,962,307)	(356,549,131)
Accumulated other comprehensive income	19,726	19,726
Total shareholders' deficit	(32,293,081)	(15,770,731)
Total capitalization and indebtedness	$10,146,432	$22,894,257
Shares issued and outstanding		
Class A common shares, without par value	76,142,647	76,142,647

(1) In connection with the issuance of 2018 Convertible Notes, a preliminary amount of $18,109,174 associated with the embedded conversion option has been recognized within equity, as well as an amount of $495,000 in accumulated deficit as a loss on settlement of the 2015 Notes.

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USE OF PROCEEDS

We will not receive any proceeds from the resale of the Securities by the Selling Securityholders. However, we did receive proceeds from the sale of the New Notes when originally offered in November 2015. We also received proceeds from the sale of 2015 Convertible Notes when originally offered in 2014 and from the sale of the Original Notes when originally offered in 2007. We expect to use net proceeds from the sale of New Notes in November 2015 for general corporate purposes, including enforcement and collection of the Arbitral Award.

The Selling Securityholders 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 Securityholders:

Legal Fees and Expenses	$	60,000
Accounting Fees and Expenses	$	7,500
SEC Registration Fee	$	8,297
Printing Expenses	$	1,000
TOTAL	$	76,797

All amounts shown are estimates, except for the amount of the SEC registration fee.

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PRICE RANGE FOR CLASS A COMMON SHARES AND THE NOTES

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:

Year	**TSXV/TSX**		**NYSE MKT**		**OTCQB**	
	High	Low	High	Low	High	Low
2015	Cdn $5.39	Cdn $2.48	N/A	N/A	$4.24	$2.08
2014	4.96	3.00	N/A	N/A	4.48	2.72
2013	3.78	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

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:

Quarter	**TSXV/TSX**		**OTCQB**	
2016	High	Low	High	Low
First Quarter (through March 8, 2016)	Cdn $8.00	Cdn $3.06	$5.90	$2.19
2015				
Fourth Quarter	Cdn $4.18	Cdn $3.23	$3.21	$2.39
Third Quarter	5.05	3.12	4.09	2.37
Second Quarter	5.20	4.22	4.10	3.53
First Quarter	5.39	2.48	4.24	2.08
2014				
Fourth Quarter	Cdn $4.80	Cdn $3.33	$4.28	$2.85
Third Quarter	4.96	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

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

	TSXV/TSX		OTCQB	
2016	High	Low	High	Low
March (through March 8, 2016)	Cdn $8.00	Cdn $4.95	$5.90	$3.45
February	6.23	3.35	4.54	2.35
January	3.76	3.06	2.60	2.19
2015				
December	Cdn $3.97	Cdn $3.33	$3.00	$2.39
November	4.14	3.45	3.17	2.55
October	4.18	3.23	3.21	2.45
September	3.96	3.12	2.99	2.37

On March 8, 2016, the closing price for the Class A Common Shares was Cdn $5.56 share on the TSXV and $4.20 share on the OTCQB. As of December 31, 2015, there were a total of 76,447,147 Class A Common Shares issued and outstanding held by approximately 692 holders of record. As of December 31, 2015, based on information received from our transfer agent and other service providers, we believe our Class A Common Shares are owned beneficially by approximately 5,100 shareholders.

There is no established reporting system or trading market for trading in our Notes. To the extent that the Notes are traded, prices of the Notes may fluctuate widely depending on trading volume, the balance between buy and sell orders, prevailing interest rates, our operating results and the market for similar securities. As of December 31, 2015, there was approximately $57.1 million aggregate principal amount of the 2018 Convertible Notes, which amount included approximately $43.7 million aggregate principal amount of Amended Notes, approximately $1.1 million aggregate principal amount of Restructuring Fee Notes and approximately $12.3 million aggregate principal amount of New Notes, and approximately $1 million aggregate principal amount of Original Notes. The Interest Notes are a different series of securities than the 2018 Convertible Notes. The 2018 Convertible Notes are represented by physical notes held in the names of the Selling Securityholders as set forth below under "*Selling Securityholders*." DTC is the sole record holder of the Original Notes.

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RATIO OF EARNINGS TO FIXED CHARGES

Ratio of earnings to fixed charges is calculated by dividing earnings, as defined, by fixed charges, as defined. For this purpose, “earnings” means net income (loss) from operation plus income (loss) from equity investees, fixed charges and amortized capital interest less interest capitalized. For this purpose, “fixed charges” means interest expensed and capitalized, amortized premiums, discounts and capitalized expenses related to indebtedness and estimated interest within rental expense. For the thirty-nine weeks ended September 30, 2015 and the fiscal years ended December 31, 2014, 2013, 2012, 2011 and 2010, our earnings were insufficient to cover fixed charges by approximately $11.7 million, $25.6 million, $15.4 million, $10 million, $23.6 million and $21.6 million, respectively.

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DESCRIPTION OF CLASS A COMMON SHARES

We are authorized to issue an unlimited number of Class A Common Shares of which 78,720,147 Class A Common Shares were issued and outstanding at March 8, 2016. 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.

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.

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DESCRIPTION OF THE NOTES

The 2018 Convertible Notes were issued, and Interest Notes to be issued in the future will be issued, under the fourth supplemental indenture, dated as of November 30, 2015 (the "Fourth Supplemental Indenture"), among us, as issuer, U.S. Bank National Association, as trustee (the "Trustee"), and Computershare Trust Company of Canada, as Co-Trustee (the "Co-Trustee"). The Fourth Supplemental Indenture amends the indenture, dated as of May 18, 2007 (the "Original Indenture"), among us, the Trustee, as successor trustee to The Bank of New York Mellon (f/k/a The Bank of New York), and the Co-Trustee, as successor Co-Trustee to BNY Trust Company of Canada, as previously amended and supplemented by the first supplemental indenture, dated as of December 4, 2012 (the "First Supplemental Indenture"), the second supplemental indenture, dated as of June 18, 2014 (the "Second Supplemental Indenture"), and the third supplemental indenture, dated as of September 24, 2014 (the "Third Supplemental Indenture" and, the Original Indenture as amended and supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture, the "Indenture"), each among us, the Trustee and the Co-Trustee. Certain additional terms of the Notes and your rights as a holder of the Notes are also set forth in the 2015 Restructuring Agreement and the Security and Pledge Agreement, dated as of November 30, 2015 (the "Security and Pledge Agreement"), among the Company (and any Additional Grantors (as defined in the Security and Pledge Agreement), if any), the Trustee and Collateral Agent.

The following description is a summary of the material provisions of the Notes, the Indenture, the 2015 Restructuring Agreement and the Security and Pledge Agreement, as applicable. This summary does not purport to be complete and is qualified in its entirety by the Indenture, the Notes, the 2015 Restructuring Agreement and the Security and Pledge Agreement. We urge you to read the Indenture, the Notes, the 2015 Restructuring Agreement and the Security and Pledge Agreement because those documents, and not this description, define your rights as a holder of the Notes. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Indenture, including the forms of 2018 Convertible Note and Interest Note contained therein, the 2015 Restructuring Agreement and the Security and Pledge Agreement are specifically incorporated herein by reference. You may request a copy of the Indenture, the 2015 Restructuring Agreement and/or the Security and Pledge Agreement from us.

As used in this "*Description of the Notes*" section, references to "we," "our," "us" or "the Company" refer solely to Gold Reser Inc. and not to our subsidiaries, unless the context expressly requires otherwise.

General

The Notes are our secured indebtedness and rank (i) equal in right of payment with our other secured indebtedness that is permitted to be secured on a *pari passu* basis, including the CVRs, (ii) equal in right of payment to the Original Notes, (iii) effectively senior in right of payment to our existing and future unsecured indebtedness to the extent of the value of the Collateral securing the Notes and (iv) senior in right of payment to all of our future subordinated debt; provided, that any future incurrence of additional indebtedness by us or the provision of any security interest with respect to any indebtedness by us or the provision of any security interest with respect to any indebtedness in the future must be incurred or provided, as applicable, in compliance with the terms of the Indenture underlying the Notes.

The 2018 Convertible Notes are convertible into our Class A Common Shares, as described more fully under "*—Conversion rights*" below. The Interest Notes are not convertible into our Class A Common Shares or any other security.

The Notes are issued only in denominations of $1,000 and integral multiples of $1.00 above that amount. The Notes mature on December 31, 2018, unless earlier converted (if applicable), redeemed or repurchased. The Notes and any other securities previously issued under the Indenture will be treated as a single class for all purposes of the Indenture,

including waivers, amendments and redemptions; provided, that notwithstanding the foregoing, in any instance in which the Notes are treated or affected differently from the other securities, whether directly or indirectly, including but not limited to waivers, amendments and redemptions, the Notes shall be treated as a separate class for purposes of the Indenture. We may also from time to time repurchase Notes in open market purchases, if in the future we list the Notes for trading on a national securities exchange, or other privately negotiated transactions without prior notice to holders, subject to the limitations set forth in the Indenture.

Neither we nor any of our subsidiaries are subject to any financial covenants under the Indenture. In addition, except as set forth below under " *Other negative covenants*," neither we nor any of our subsidiaries are restricted under the Indenture from paying dividends, incurring debt, granting security or issuing or repurchasing our securities, entering into transactions with our affiliates or paying senior, other equally ranking or subordinated indebtedness prior to paying our obligations under the Notes.

The holders of the Notes are not afforded protection under the Indenture in the event of a leveraged transaction or a change in control of us, except to the extent described under "*—Offer to purchase upon a fundamental change*," and "*—Conversion rate adjustments*."

The 2018 Convertible Notes are currently evidenced by physical certificates held in the names of the Selling Securityholders. In connection with the filing of the registration statement of which this prospectus forms a part, we have agreed to use commercially reasonable efforts to cause the 2018 Convertible Notes to become eligible for deposit with DTC on or prior to the date of effectiveness of the shelf registration statement. We have also agreed to use commercially reasonable efforts to cause the Interest Notes to become eligible for deposit with DTC prior to their first issuance in connection with a regular interest payment date on March 31, 2016. If the Interest Notes are not made eligible for deposit with DTC on that date, the Interest Notes will also be evidenced by physical certificates held in the names of the Selling Securityholders. If and when the Notes have been made eligible with DTC, the Notes will be exchanged for book-entry interests evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected through, records maintained by DTC and its direct and indirect participants. There is no service charge for registration of transfer or exchange of the Notes. We may, however, require holders to pay a sum to cover any tax or other governmental charge payable in connection with certain transfers or exchanges.

Security

The Notes, together with the CVRs, are secured by a first lien on substantially all of our assets (excluding a security interest over our rights with respect to the ongoing Brisas arbitration and only limited rights over the stock of our subsidiaries) whether now owned or existing or hereafter acquired or arising and regardless of where located, as collateral for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Company's obligations under the Notes and the CVRs whether now existing or hereafter incurred or arising, including, but not limited to all cash and cash accounts, receivables, contracts, inventory, equipment, intellectual property, chattel paper, supporting obligations, general intangibles, pledged interests in our subsidiaries, proceeds of the Arbitral Award and Mining Data (collectively referred to herein, as the Collateral). Pursuant to the Security and Pledge Agreement, the Collateral also provides collateral for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of our obligations under the other Finance Documents (as defined herein), including the CVRs on a *pari passu* basis with the Notes as described above. Under the Security and Pledge Agreement, the "Finance Documents" means (i) the Indenture, (ii) the certificates evidencing the CVRs, (iii) the Security and Pledge Agreement, (iv) the 2015 Restructuring Agreement and (v) all other documents to be executed and delivered by the us, or any other grantor, if any, to the secured parties related to the transactions contemplated by the Security and Pledge Agreement.

Pursuant to the Security and Pledge Agreement we have agreed that we will maintain good title to all of the Collateral, free and clear of all liens, except for the security interest created by the Security and Pledge Agreement and any ordinary course Permitted Liens (as defined in the Security and Pledge Agreement), and that we will not grant or allow any liens other than Permitted Liens to exist. We have also agreed that, except as expressly permitted under the Finance Documents, we will not (i) sell, assign (by operation of law or otherwise), transfer, exchange, lease or otherwise dispose of, or grant any option with respect to, any of the Collateral other than cash and cash equivalents used by us in the ordinary course of business, including, but not limited to, paying our expenses and other obligations in the ordinary course as they become due and payable, or (ii) create or permit to exist any lien upon or with respect to

any of the Collateral, except for Permitted Liens; provided, however, that upon certification by us that we have reached agreement to sell any equipment related to the Brisas Project for a price that a majority of our board of directors deems reasonable, the Collateral Agent shall release its lien on such equipment upon such sale and the proceeds of such sale shall not be subject to the lien granted under the Security and Pledge Agreement and will not constitute part of the Collateral; provided, further, that upon certification by us that we reached agreement to sell the Mining Data for a price that a majority of our board of directors deems reasonable, and the Majority Holders (as defined herein) have consented to such sale upon the terms contained in such written certification (provided that such consent may not be unreasonably withheld, denied or delayed), the Collateral Agent shall release its lien on the Mining Data in conjunction with such sale and the proceeds of such sale shall not be subject to the lien granted under the Security and Pledge Agreement and will not constitute part of the Collateral and may be distributed to our owners to the extent permitted by the Finance Documents and the CVRs.

Application of proceeds

If the Collateral Agent collects any money pursuant to the Security and Pledge Agreement upon realization of any Collateral, it shall pay out the money in the following order:

(a) *first*, to the Trustee and the Collateral Agent, their agents and attorneys for amounts due to them under the Security and Pledge Agreement or under the Indenture, including payment of all compensation, expenses and liabilities incurred, and all indemnities due to the Trustee or the Collateral Agent and the costs and expenses of collection;

(b) *second*, to the Trustee, for the benefit of the holders of the Notes for amounts due and unpaid on the Notes for principal, premium, if any, interest and any other amounts;

(c) *third*, to the holders of CVRs an amount set forth in a Surplus Certificate (as defined herein) furnished by us to the Collateral Agent, which shall be delivered to the Collateral Agent as soon as reasonably practicable. The "Surplus Certificate" is a certificate that sets forth our reasonable calculation of the amount that is then due and payable to the holders of the CVRs pursuant to the terms of the CVRs, as approved by our board of directors (the "CVR Amount"), and is signed by our Chief Executive Officer; and

(d) *fourth*, the Surplus Amount (as defined herein) to us or to such party as a court of competent jurisdiction shall direct including another grantor, if applicable. The "Surplus Amount" is the amount of money remaining after payment by the Collateral Agent of the CVR Amount, if any.

Proceeds account; release of security interest

Pursuant to the 2015 Restructuring Agreement and the Security and Pledge Agreement, we have agreed that any Award Proceeds (as defined in the 2015 Restructuring Agreement) constituting cash and cash equivalents ("Cash Proceeds") in an amount equal to the sum of (i) an amount equal to 120% of the outstanding principal amount of the Notes then outstanding plus accrued and unpaid interest, if any, to, but excluding, the date on which all Notes will be repaid in accordance with their terms and (ii) any amounts due to holders of the CVRs under the terms of the CVRs as a result of the receipt of such Cash Proceeds, shall be deposited into a separate deposit account with the Collateral Agent that we will establish with Bank of America, N.A. (the "Proceeds Account"). In connection with establishing the Proceeds Account, we have also agreed to enter into a Deposit Account Control Agreement (the "DACA"), which DACA will provide that the Collateral Agent shall have exclusive control of the Proceeds Account at any time that an event of default has occurred and is continuing under the Indenture, after giving effect to applicable notice and cure periods, or an event of default under the CVRs has occurred and is continuing; provided, that, with respect to any event of default under the CVRs, we shall have 10 business days to cure any such default following receipt of notice thereof from a holder of CVRs.

Subject to the following paragraph, (i) all Cash Proceeds shall be deposited in the Proceeds Account until it holds all amounts provided for in the preceding paragraph (and, subject to the exception set forth below, shall remain in such account until the Notes and CVRs have been paid in full) and (ii) if, and only if, other Company funds are unavailable, funds from the Proceeds Account shall be disbursed to ensure that we are paying our obligations as they come due and, in any event, to ensure payment of the Current Payment Obligations (as defined herein).

We have the option to effect a defeasance of the Notes and CVRs upon five business days' notice to the Collateral Agent and holders of Notes and CVRs on the following terms and conditions: (i) we have complied with our other obligations described under this "*Proceeds account; release of security interest*" section to date and have Sufficient Funds in the Proceeds Account; (ii) we have complied with our obligation to offer to redeem the Notes in accordance with the provision described under " *Mandatory redemption*" (the "Award Redemption"); and (iii) holders of a majority in the aggregate principal amount of the then outstanding Notes have notified us that they elect not to have some or all of the Notes held by them so redeemed, such that a majority in the aggregate principal amount of the Notes remain outstanding following completion of the transactions contemplated by the Award Redemption.

Following a defeasance of the Notes and the CVRs, (i) we shall no longer be able to utilize the funds in the Proceeds Account for payment of obligations, other than payment obligations in respect of the Notes and the CVRs in accordance with their terms, (ii) following conversion of any Notes in accordance with the terms of the Indenture and such Notes, the portion of Cash Proceeds held for repayment of principal and interest on such Notes in accordance with their terms shall be released from the Proceeds Account and (iii) the collateral securing repayment of the Notes and the CVRs shall be released, and the Notes and the CVRs shall no longer be secured, and the holders of the Notes have agreed to take such action as reasonably required in connection with such release, subject to certain exceptions.

Additional Grantors

If any of our subsidiaries shall in the future own, acquire or have an interest in a material asset or property, such person shall promptly, but in no case more than five business days after such acquisition, execute and deliver a Security Agreement Supplement in accordance with the Security and Pledge Agreement to become an Additional Grantor. In connection with the consummation of the Mining Property Acquisition, Gold Reserve Corporation, our Montana subsidiary, delivered a Security Agreement Supplement and became an Additional Grantor under the Security and Pledge Agreement. As of the date of this prospectus, no other subsidiary of ours owns an interest in any material assets or property.

Possession of collateral

Subject to the terms of the Finance Documents, we will have the right to remain in possession and retain exclusive control of the Collateral securing the Notes (other than any pledged securities constituting part of the Collateral, to the extent deposited with the Collateral Agent in accordance with the provisions of the Finance Documents, cash deposited in accounts subject to a deposit account control agreement, to the extent control of such account is given to the Collateral Agent in accordance with the terms of such agreement, and other than as set forth in the Finance Documents), to freely operate the Collateral and to collect, invest, and dispose of any income therefrom.

There can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the Notes. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. See "*Risk Factors Risks Relating to the Notes The value of the Collateral may not be sufficient to satisfy all the obligations secured by such Collateral. As a result, holders of the Notes may not receive full payment on their Notes following an event of default*" and "*Risk Factors Risks Relating to the Notes Rights of holders of the Notes in the Collateral may be adversely affected by bankruptcy proceedings.*"

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The Security and Pledge Agreement (including the financing statements under the Uniform Commercial Code of the relevant states of the United States and under the Personal Property Security Act (Alberta) in appropriate form for filing in the Province of Alberta), as amended, supplemented, restated, or otherwise modified from time to time are referred to herein as the "Security Documents." The Security Documents may be amended as set forth under "*Modification and waiver of Indenture and Security Documents*." In addition, the Security Agreement provides that to the extent requested by the Majority Holders, the Company and the Collateral Agent shall amend the provisions of the Security Agreement to delineate between the Notes and the CVRs in such fashion as reasonably agreed by such holders, the Company (and any Additional Grantors) and the Collateral Agent (acting on its own behalf and not on behalf of the CVR holders). The Majority Holders have indicated their intent to request such an amendment.

Payments on the Notes; paying agent and registrar

We pay principal of physical notes at the office or agency designated by us in the Borough of Manhattan, The City of New York. We have designated the corporate trust office of U.S. Bank National Association, the Trustee under the Indenture, at 100 Wall Street, Suite 1600, New York, New York 10005 as our paying agent and registrar and its office in New York, New York as a place where Notes may be presented for payment or for registration of transfer. We may, however, change the paying agent or registrar without prior notice to the holders of the Notes, and we may act as paying agent or registrar. If and when the Notes are made eligible for deposit with DTC and are held in global form registered in the name of or held by DTC or its nominee, we intend to pay principal of Notes in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note. Interest will be payable on the Notes in Interest Notes. Not later than three business days prior to the relevant interest payment date, we will deliver to the Trustee an order to authenticate and deliver such Interest Notes. We intend that interest on the Notes will be payable (x) with respect to Notes represented by a global note, by issuing and having authenticated a new global note representing the Interest Note in an amount equal to the amount of interest payable for the applicable interest period (each global note to be rounded up to the nearest $1.00) and (y) with respect to Notes represented by physical notes, by issuing and having authenticated Interest Notes represented by physical notes in an aggregate principal amount equal to the amount of interest payable for the applicable period (each physical note to be rounded up to the nearest $1.00), and the Trustee will, at our request, authenticate and deliver such physical notes for original issuance to the holders on the relevant regular record date, as shown in the security register. If the Notes are eligible for DTC, then following the issuance of a new global note representing the Interest Notes as a result of an interest payment, the global note will bear interest from and after the relevant date of issue. Any Interest Notes issued as physical notes will be dated as of the applicable interest payment date and will bear interest from and after such date.

Interest

The notes bear interest at a rate of 11% per annum. Interest accrues and is capitalized quarterly and will be payable on March 31, June 30, September 30 and December 31 of each year, beginning on March 31, 2016.

Interest is paid to the person in whose name a Note is registered at the close of business on March 15, June 15, September 15 and December 15 of each year, as the case may be and whether or not a business day, immediately preceding the relevant interest payment date. Interest on the Notes is computed on the basis of a 360-day year composed of 12 30-day months. Interest on each Interest Note shall accrue from the interest payment date in respect of which such Interest Note was issued under the Indenture.

Conversion rights

Holders of the 2018 Convertible Notes may convert their 2018 Convertible Notes, in whole or in part, initially at a conversion rate of 333.3333 Class A Common Shares per $1,000 principal amount of 2018 Convertible Notes (equivalent to a conversion price of $3.00 per share) at their option upon not less than three days' notice to us and at any time prior to the close of business on the business day immediately preceding the final maturity date of the 2018

Convertible Notes, subject to prior repurchase of the 2018 Convertible Notes. The Interest Notes are not convertible into our Class A Common Shares or any other security.

Upon conversion of a 2018 Convertible Note, we will have the option to deliver Class A Common Shares, cash or a combination of cash and Class A Common Shares for the 2018 Convertible Notes surrendered as set forth below. The Trustee will initially act as conversion agent. The conversion rate and the applicable conversion price in effect at any given time are referred to as the "applicable conversion rate" and the "applicable conversion price," respectively, and will be subject to adjustment as described below. A holder may convert fewer than all of such holder's 2018 Convertible Notes so long as the 2018 Convertible Notes converted have a principal amount of $1,000 or an integral multiple of $1.00 in excess thereof.

We will have the option to deliver cash in lieu of some or all of the Class A Common Shares to be delivered upon conversion of the 2018 Convertible Notes. We will give notice of our election to deliver part or all of the conversion consideration in cash to the holder converting the 2018 Convertible Notes within two business days of our receipt of the holder's notice of conversion. The amount of cash to be delivered per 2018 Convertible Note will be equal to the number of Class A Common Shares in respect of which the cash payment is being made multiplied by the average of the Daily VWAP prices of the Class A Common Shares for the 10 trading days commencing one day after (a) the date of our notice of election to deliver all or part of the conversion consideration in cash if we have not given notice of redemption or (b) the conversion date, in the case of conversion following notice of redemption specifying our intention to deliver cash upon conversion. "Daily VWAP" means the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "GRZ"<equity>"VAP" in respect of the period from 9:30 am to 4:00 pm (New York City time) on such trading day (or if such volume-weighted average price is unavailable, the market value of one Class A Common Share on such trading day on the TSXV or otherwise as our board of directors determines in good faith using a volume-weighted method); provided that after the consummation of a fundamental change in which the consideration is comprised entirely of cash, "Daily VWAP" means the cash price per Class A Common Share received by holders of our Class A Common Shares on such fundamental change.

If we elect to deliver cash in lieu of some or all of the Class A Common Shares issuable upon conversion of the 2018 Convertible Notes, we will make the payment, including delivery of the Class A Common Shares, through the conversion agent, to holders surrendering 2018 Convertible Notes no later than the 14th business day following the conversion date. Otherwise, we will deliver the Class A Common Shares, together with any cash payment for fractional shares, as described below, through the conversion agent no later than the fifth (business day following the conversion date.

We may not deliver cash in lieu of any Class A Common Shares issuable upon a conversion date (other than in lieu of fractional shares) if there has occurred and is continuing an event of default under the Indenture, other than an event of default that is cured by the payment of the conversion consideration.

If we call 2018 Convertible Notes for redemption upon the satisfaction of certain pricing conditions for our Class A Common Stock as described under " *Optional Redemption,*" a holder of 2018 Convertible Notes may convert the 2018 Convertible Notes only until the close of business on the business day immediately preceding the redemption date unless we fail to pay the redemption price. If a holder of 2018 Convertible Notes has submitted the 2018 Convertible Notes for purchase upon a fundamental change, a holder of 2018 Convertible Notes may convert the 2018 Convertible Notes only if that holder withdraws the purchase election made by that holder.

Upon conversion, you will not receive any separate payment for accrued and unpaid interest and additional amounts (as defined herein), if any, unless such conversion occurs between a regular record date and the interest payment date to which it relates. We will not issue fractional Class A Common Shares upon conversion of 2018 Convertible Notes. Instead, we will pay cash in lieu of fractional shares based on the last reported sale price of the Class A Common Shares on the trading day prior to the conversion date.

Our delivery to you of Class A Common Shares, cash, or a combination of cash and Class A Common Shares, as applicable, together with any cash payment for any fractional share, into which a 2018 Convertible Note is convertible, will be deemed to satisfy our obligation to pay:

- the principal amount of the 2018 Convertible Note; and

- accrued and unpaid interest and additional amounts, if any, to, but not including, the conversion date.

As a result, accrued and unpaid interest and additional amounts, if any, to, but not including, the conversion date will be deemed to be paid in full rather than cancelled, extinguished or forfeited.

Notwithstanding the preceding paragraph, if 2018 Convertible Notes are converted after 5:00 p.m., New York City time, on a regular record date for the payment of interest, holders of such 2018 Convertible Notes at 5:00 p.m., New York City time, on such record date will receive the interest and additional amounts, if any, payable on such 2018 Convertible Notes on the corresponding interest payment date notwithstanding the conversion. 2018 Convertible Notes, upon surrender for conversion during the period from 5:00 p.m., New York City time, on any regular record date to 9:00 a.m. New York City time, on the immediately following interest payment date must be accompanied by (i) payment of an amount equal to the principal amount of Interest Notes and additional amounts that the holder is to receive on the 2018 Convertible Notes or (ii) the written election of the holder to offset the payment otherwise required pursuant to clause (i) against the principal amount of Interest Notes and additional amounts that the Holder is to receive on the 2018 Convertible Notes. However, no such payment need be made:

- if we have specified a redemption date that is after a record date and on or prior to the corresponding interest payment date;

- if we have specified a fundamental change purchase date that is after a record date and on or prior to the corresponding interest payment date; or

- to the extent of any overdue interest, if any overdue interest exists at the time of conversion with respect to such 2018 Convertible Note.

If a holder converts 2018 Convertible Notes, we will pay any documentary, stamp or similar issue or transfer tax due on the issue of any of our Class A Common Shares upon the conversion, unless the tax is due because the holder requests any shares to be issued in a name other than the holder’s name, in which case the holder will pay that tax.

Conversion upon specified corporate transactions

If we are a party to a consolidation, amalgamation, merger, binding share exchange, statutory arrangement, sale of all or substantially all of our assets or other combination, in each case pursuant to which our Class A Common Shares are converted into cash, securities or other property, then at the effective time of the transaction a holder’s right to convert a 2018 Convertible Note into our Class A Common Shares and cash will be changed into a right to convert it into the kind and amount of cash, securities and other property which such holder would have received if such holder had converted their 2018 Convertible Notes into our Class A Common Shares immediately prior to the transaction (the “reference property”). If the transaction causes our Class A Common Shares to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election), the reference property into which the 2018 Convertible Notes will be convertible will be deemed to be the weighted average of the types and amounts of consideration received by the holders of our Class A Common Shares that affirmatively make such an election. We have agreed in the Indenture not to become a party to any such transaction unless its terms are consistent with the foregoing.

Notwithstanding the preceding paragraph, if holders of 2018 Convertible Notes would otherwise be entitled to receive, upon conversion of the 2018 Convertible Notes, any property (including cash) or securities that would not constitute "prescribed securities" for the purposes of clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) (referred to herein as "ineligible consideration"), such holders shall not be entitled to receive such ineligible consideration, but we or the successor or acquirer, as the case may be, shall have the right (at the sole option of us or the successor or acquirer, as the case may be) to deliver either such ineligible consideration or "prescribed securities" for the purposes of clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) with a market value equal to the market value of such ineligible consideration. In general, prescribed securities would include our Class A Common Shares and other shares which are not redeemable by the holder within five years of the date of issuance of the 2018 Convertible Notes. Because of this, certain transactions may result in the 2018 Convertible Notes being convertible into prescribed securities that are highly illiquid. This could have a material adverse effect on the value of the 2018 Convertible Notes. We agree to provide notice to the holders of notes at least 30 days prior to the effective date of such transaction in writing and by release to a business newswire stating the consideration into which the 2018 Convertible Notes will be convertible after the effective date of such transaction. After such notice, we or the successor or acquirer, as the case may be, may not change the consideration to be delivered upon conversion of the 2018 Convertible Note except in accordance with any other provision of the Indenture.

If the transaction also constitutes a fundamental change, we will be required, subject to certain conditions, to offer to purchase for cash all or a portion of your 2018 Convertible Notes as described under "*—Offer to purchase upon a fundamental change*."

Conversion procedures

The initial conversion rate for the 2018 Convertible Notes is 333.3333 Class A Common Shares per $1,000 principal amount of 2018 Convertible Notes, which conversion rate is subject to adjustment as described below.

To convert the 2018 Convertible Notes into Class A Common Shares a holder of 2018 Convertible Notes must do the following (or comply with DTC procedures for doing so in respect of its beneficial interest in 2018 Convertible Notes evidenced by a global note) upon not less than three days prior written notice to us:

- complete and manually sign the conversion notice on the back of the 2018 Convertible Note or facsimile of the conversion notice and deliver this notice to the conversion agent;
- surrender the 2018 Convertible Note to the conversion agent;
- if required, furnish appropriate endorsements and transfer documents; and
- if required, pay all transfer or similar taxes.

The date a holder of 2018 Convertible Notes complies with these requirements is the conversion date under the Indenture. The Interest Notes are not convertible into our Class A Common Shares or any other security.

Conversion rate adjustments

We will adjust the conversion rate if any of the following events occurs, except that we will not make any adjustment if holders of 2018 Convertible Notes may participate, as a result of holding the 2018 Convertible Notes, in the transactions described without having to convert their 2018 Convertible Notes.

(a) If we issue Class A Common Shares as a dividend or distribution on our Class A Common Shares, or if we subdivide or combine our Class A Common Shares, the conversion rate will be adjusted based on the following formula:

$$CR^1 = CR_0 \times \frac{OS^1}{OS_0}$$

where,

CR_0 = the conversion rate in effect immediately prior to such event

CR^1 = the conversion rate in effect immediately after such event

OS_0 = the number of our Class A Common Shares outstanding immediately prior to such event

OS^1 = the number of our Class A Common Shares outstanding immediately after such event

(b) If we issue to all or substantially all holders of our outstanding Class A Common Shares certain rights or warrants to purchase our Class A Common Shares (or securities convertible into, or exchangeable or exercisable for, Class A Common Shares) at a price per share (or having a conversion, exchange or exercise price per share) less than the closing sale price of our Class A Common Shares on the record date for shareholders entitled to receive such rights and warrants, which rights or warrants are exercisable for not more than 60 days, the conversion rate will be adjusted based on the following formula (provided that the conversion rate will be readjusted to the extent that such rights or warrants are not exercised prior to their expiration):

$$CR^1 = CR_0 \times \frac{OS_0 + X}{OS_0 + Y}$$

where,

CR_0 = the conversion rate in effect immediately prior to such event

CR^1 = the conversion rate in effect immediately after such event

OS_0 = the number of our Class A Common Shares outstanding on the close of business on the next business day following such record date

X = the total number of our Class A Common Shares issuable pursuant to such rights

Y = the number of our Class A Common Shares equal to the aggregate offering price that the total number of shares so offered would purchase at such closing sale price of our Class A Common Shares on the record date of such issuance determined by multiplying such total number of Class A Common Shares so offered by the exercise price of such rights or warrants and dividing the product so obtained by such closing sale price.

(c) If we distribute to all or substantially all holders of our outstanding Class A Common Shares, Class A Common Shares, evidences of indebtedness or assets, including securities but excluding:

- rights or warrants specified above;
- dividends or distributions specified above; and
- dividends or distributions specified in (d) below;

then the conversion rate will be adjusted based on the following formula:

$$CR^1 = CR_0 \times \frac{SP_0}{SP_0 - FMV}$$

where,

CR_0 = the conversion rate in effect immediately prior to such distribution

CR_1 = the conversion rate in effect immediately after such distribution

SP_0 = the current market price (as defined below) of our Class A Common Shares on such record date for such distribution

FMV = the fair market value (as determined by our board of directors) of the Class A Common Shares, evidences of indebtedness, assets or property distributed with respect to each outstanding common share on the record date for such distribution

With respect to an adjustment pursuant to this clause (c) where there has been a payment of a dividend or other distribution on our Class A Common Shares or shares of any class or series, or similar equity interest, of or relating to a subsidiary or other business unit, which we refer to as a "spin-off," the conversion rate in effect immediately before 5:00 p.m., New York City time, on the effective date fixed for determination of shareholders entitled to receive the distribution will be increased based on the following formula:

$$CR^1 = CR_0 \times \frac{FMV_0 + MP_0}{MP_0}$$

where,

CR_0 = the conversion rate in effect immediately prior to such distribution

CR_1 = the conversion rate in effect immediately after such distribution

FMV_0 = the average of the closing sale prices of the Class A Common Shares or similar equity interest distributed to holders of our Class A Common Shares applicable to one Class A Common Share over the 10 consecutive trading-day period commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such distribution on the NYSE MKT or such other national or regional exchange or market on which the securities are then listed or quoted

MP_0 = the average of the closing sale prices of our Class A Common Shares over the ten consecutive trading-day period commencing on and including the fifth trading day after the date on which "ex-dividend trading" commences for such distribution on the national or regional exchange or market on which the securities are then listed or quoted

The adjustment to the conversion rate under the preceding paragraph will occur on the 14th trading day after the date on which "ex-dividend trading" commences for such distribution on the national or regional exchange or market on which the securities are then listed or quoted.

(d) If any cash dividend or other distribution is made to all or substantially all holders of our outstanding Class A Common Shares, the conversion rate will be adjusted based on the following formula:

$$CR^1 = CR_0 \times \frac{SP_0}{SP_0 \quad C}$$

where,

CR_0 = the conversion rate in effect on the record date for such distribution

CR^1 = the conversion rate in effect immediately after the record date for such distribution

SP_0 = the current market price of one of our Class A Common Shares on the record date for such distribution

C = the amount in cash per share we distribute to holders of our Class A Common Shares

"Current market price" means the average of the daily closing sale prices per Class A Common Share for the 10 consecutive trading days ending on the earlier of the date of determination and the day before the "ex" date with respect to the distribution requiring such computation. As used in the definition of current market price, the term "ex" date, when used with respect to any distribution on our Class A Common Shares, means the first date on which the Class A Common Share trades, regular way, on the relevant exchange or in the relevant market from which the closing sale price was obtained without the right to receive such distribution.

(e) If we or one of our subsidiaries makes a payment in respect of a tender offer or exchange offer for our Class A Common Shares to the extent that the cash and value of any other consideration included in the payment per Class A Common Share exceeds the last reported sale price per Class A Common Share on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer, the conversion rate will be increased based on the following formula:

$$CR^1 = CR_0 \times \frac{AC + (SP^1 \times OS^1)}{OS_0 \times SP^1}$$

where,

CR_0 = the conversion rate in effect on the date such tender or exchange offer expires

CR^1 = the conversion rate in effect on the day next succeeding the date such tender or exchange offer expires

AC = the fair market value (as determined by our board of directors) of the aggregate consideration paid or payable for shares purchased in such tender or exchange offer

OS_0 = the number of our Class A Common Shares outstanding on the trading day immediately preceding the date such tender or exchange offer is announced

OS^1 = the number of our Class A Common Shares outstanding less any shares purchased in the tender or exchange offer at the time such tender or exchange offer expires

SP^1 = the average of the last reported sale prices of the common shares over the 10 consecutive trading day period commencing on the trading day next succeeding the date such tender or exchange offer expires

The adjustment to the conversion rate under the preceding paragraph will occur on the 10^{th} trading day next succeeding the date such tender or exchange offer expires.

To the extent that we have a rights plan in effect upon conversion of the 2018 Convertible Notes into Class A Common Shares, a holder of 2018 Convertible Notes will receive, in addition to the Class A Common Shares, the rights under the rights plan unless the rights have separated from the Class A Common Shares at the time of conversion, in which case the conversion rate will be adjusted as if we distributed to all holders of our outstanding Class A Common Shares, Class A Common Shares, evidences of indebtedness or assets as described above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

In the event of:

- any reclassification of our Class A Common Shares;
- a consolidation, merger or combination involving us; or
- a sale or conveyance to another person or entity of all or substantially all of our property and assets;

in which holders of our Class A Common Shares would be entitled to receive shares, other securities, other property, assets or cash for their Class A Common Shares, upon conversion of the 2018 Convertible Notes a holder thereof will be entitled to receive the same type of consideration which it would have been entitled to receive if it had converted the 2018 Convertible Notes into our Class A Common Shares immediately prior to any of these events (provided such consideration is not "ineligible consideration" as described in "*—Conversion upon specified corporate transactions*").

A holder of 2018 Convertible Notes may in certain situations be deemed to have received a distribution subject to United States federal income tax as a dividend in the event of any taxable distribution to holders of Class A Common Shares or in certain other situations requiring a conversion rate adjustment. See "*Taxation*."

We may, from time to time, increase the conversion rate by any amount for a period of at least 20 days if our board of directors has made a determination that this increase would be in our best interests, subject to the receipt of any required regulatory approvals, which determination shall be conclusive. Any such determination by our board will be conclusive. Thereafter, the conversion rate will return to the level prior to such adjustment. In addition, we may increase the conversion rate if our board of directors deems it advisable to avoid or diminish any income tax to holders of Class A Common Shares resulting from any share or rights distribution. See "*Taxation*."

We will not be required to make an adjustment in the conversion rate unless the adjustment would require a change of at least 1% in the conversion rate. However, we will carry forward any adjustments that are less than 1% of the conversion rate. Except as described above in this section, we will not adjust the conversion rate for any issuance of our Class A Common Shares or convertible or exchangeable securities or rights to purchase our Class A Common Shares or convertible or exchangeable securities.

Any adjustment to the conversion rate for the 2018 Convertible Notes would also be applicable to the conversion rate for any Original Notes that remain outstanding at the time of such adjustment.

Adjustments of average prices

Whenever any provision of the Indenture requires us to calculate an average of last reported prices or Daily VWAP over a span of multiple days, we will make appropriate adjustments (determined in good faith by our board of directors) to account for any adjustment to the conversion rate that becomes effective, or any event requiring an adjustment to the conversion rate where the ex date of the event occurs, at any time during the period from which the average is to be calculated.

Optional redemption

No sinking fund will be provided for the Notes, which means that the Indenture will not require us to redeem a portion of the Notes periodically.

We may redeem, at our option, all or part of the 2018 Convertible Notes upon 20 days' notice to the holders, for Class A Common Shares equal to the principal amount of such security divided by the conversion price plus cash for any accrued and unpaid interest if the closing sale price of our Class A Common Shares is equal to or greater than 200% of the conversion price for at least 20 trading days in the period of 30 consecutive trading days; provided that we provide such notice within five days of the end of such 30 trading day period.

If less than all of the outstanding 2018 Convertible Notes are to be redeemed, the Trustee shall, upon 15 days' prior notice from us, select the 2018 Convertible Notes to be redeemed in principal amounts at maturity of $1,000 or integral multiples thereof. In this case the Trustee may select the 2018 Convertible Notes by lot, pro rata or by any other method the Trustee considers fair and appropriate or in any manner required by the depositary.

If a portion of a holder's 2018 Convertible Notes is selected for partial redemption and the holder converts a portion of the 2018 Convertible Notes, the converted portion shall be deemed, solely for purposes of determining the aggregate principle amount of securities to be redeemed by us, to be the portion selected for redemption.

In the event of any redemption of the 2018 Convertible Notes in part, we will not be required to:

- issue, register the transfer of or exchange any 2018 Convertible Note during a period beginning at the opening of business 15 days before any selection of 2018 Convertible Notes for redemption and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all holders of 2018 Convertible Notes to be so redeemed, or

- register the transfer of or exchange any 2018 Convertible Note so selected for redemption, in whole or in part, except the unredeemed portion of any 2018 Convertible Note being redeemed in part.

Mandatory redemption

We have a mandatory obligation to redeem the Notes then outstanding, in whole or in part, for an amount of cash equal to 120% of the outstanding principal amount of the Notes, plus accrued and unpaid interest, upon (a) the issuance of a final Arbitration Award (as defined below), with respect to which enforcement has not been stayed and no annulment proceeding is pending, or (b) our receipt of Proceeds (as defined below) from a Mining Data Sale (as defined below) (the occurrence of an event described in (a) or (b) may be referred to as a "Redemption Trigger"), in each case, notwithstanding any other notice provision herein, upon 20 days' notice to the holders (which notice shall be provided within 10 days of the issuance of a final Arbitration Award or our receipt of any such Proceeds, as applicable); provided, however, that following the issuance of a final Arbitration Award, we shall not be obligated to effect any such redemption unless we receive cash proceeds in excess of $20,000,000, net of (i) taxes and (ii) $13,500,000 to fund professional fees and expenses and accrued and unpaid prospective operating expenses (such net amount, collectively the "Net Cash Proceeds"), in which case we shall give notice to the holders of the Notes within two business days after receipt of such funds of our intent to redeem and shall promptly, and in any event within five business days, redeem the Notes to the extent of such Net Cash Proceeds received in excess of $20,000,000, subject to the following sentence. In respect of any given receipt of Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, by us, our redemption obligations shall be limited to the amount of the Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, received us, and if the amount of Net Cash Proceeds, in the case of the issuance of a final Arbitration Award, or proceeds, in the case of a Mining Data Sale, received is insufficient to redeem all of the Notes then outstanding, we shall redeem a pro rata portion of each holder's applicable securities determined on the basis of the principal amount of the applicable securities held by each holder as among all outstanding Notes held by all holders (provided, further, that any subsequent receipt of additional Net Cash Proceeds in excess of $20,000,000, in the case of the issuance of a final Arbitration Award, or Proceeds, in the case of a Mining Data Sale, shall be applied in a similar manner until such time as the redemption obligations have been satisfied in full). Notwithstanding the foregoing or anything to the contrary herein, (i) within five business days of a Redemption Trigger described in clause (a) above, we shall issue a promissory note to each holder payable in the amounts due to such holder upon receipt of Net Cash Proceeds by the Company as contemplated by this paragraph, which promissory note shall be in form and substance reasonably satisfactory to holders holding at least a majority of the then outstanding Notes, and the Company, including with respect to covenants and other relevant terms from the Indenture as applicable, and which shall mature on the earlier of (x) five business days following the our receipt of Proceeds contemplated by the applicable Arbitration Award and (y) the stated maturity of the Notes; and (ii) in the case of a Redemption Trigger described in clause (a) above, at any time following receipt of notice from us as provided herein and prior to the receipt by a holder of the applicable redemption amount, such holder may notify the Company that it elects to not have its Notes (or any portion thereof) so redeemed, in which case the applicable securities of such holder shall not be redeemed and the amounts that would have otherwise been payable to such holder shall be available for distribution to the holders of the securities which are being redeemed in accordance herewith if such holders would not otherwise receive payment of the entire redemption price.

With respect to the mandatory redemption provisions and as we otherwise indicate herein:

"Arbitration Award" shall mean (solely as used under this "*Mandatory redemption*") any settlement, award, or other payment made or other consideration transferred to us or any of our affiliates arising out of, in connection with or with respect to the Brisas arbitration, including, but not limited to the Proceeds received by us or our affiliates from a sale, pledge, transfer or other disposition, directly or indirectly, of our rights with respect to the Brisas arbitration.

"Mining Data" shall mean the mine data base relating to the Brisas Project which consists of over 900 core drill holes with assay certificates with a calculated proven and probable 43-101 compliant audited ore reserve.

"Mining Data Sale" shall mean the sale, pledge, transfer or other disposition, directly or indirectly, of all or any portion of the Mining Data.

"Proceeds" shall mean the gross amount of all consideration, whether cash, securities, commodities, bonds or other non-cash consideration, received by us arising out of, in connection with or with respect to an Arbitration Award or Mining Data Sale, as applicable; provided that, for the purposes of calculating Proceeds, any consideration received by any affiliate of ours in connection with an Arbitration Award or Mining Data Sale, as the case may be, shall be deemed to have been received by us.

Redemption for changes in Canadian tax law

We may at our option redeem all but not part of the Notes if we have or would become obligated to pay to the holder of any Note "additional amounts" (which are more than a de minimis amount) as a result of any change from the date of this prospectus in the laws or any regulations of Canada or any Canadian political subdivision or taxing authority, or any change or amendment occurring after November 30, 2015 in an interpretation or application of such laws or regulations by any legislative body, court, governmental agency, taxing authority or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory or administrative determination); provided we cannot avoid these obligations by taking reasonable measures available to us and that we deliver to the Trustee an opinion of Canadian legal counsel specializing in taxation and an officers' certificate attesting to such change and obligation to pay additional amounts. The term "additional amounts" is defined under "*—Additional amounts*." This redemption would be at an amount equal to (i) 100% of the principal amount of the Notes, plus (ii) accrued and unpaid interest (including additional amounts, if any), to, but excluding, the redemption date plus (iii) an additional 20% of the principal amount of the Notes, but without reduction for applicable Canadian taxes (as defined herein) (except in respect of certain excluded holders (as defined herein)). We will give the Trustee and holders of Notes not less than 30 days' nor more than 60 days' notice of this redemption, except that (i) we will not give notice of redemption earlier than 60 days prior to the earliest date on or from which we would be obligated to pay any such additional amounts, and (ii) at the time we give the notice, the circumstances creating our obligation to pay such additional amounts remain in effect.

Upon receiving such notice of redemption, each holder who does not wish to have us redeem its Notes will have the right to elect to:

(a) convert its Notes (other than in the case of the Interest Notes); or

(b) not have its Notes redeemed, provided that no additional amounts will be payable on any payment of interest or principal with respect to the Notes after such redemption date. All future payments will be subject to the deduction or withholding of any Canadian taxes required by law to be deducted or withheld.

Where no election is made, the holder will have its Notes redeemed without any further action. The holder must deliver to the paying agent a written notice of election so as to be received by the paying agent no later than the close of business on a business day at least five business days prior to the redemption date.

A holder may withdraw any notice of election by delivering to the paying agent a written notice of withdrawal prior to the close of business on the business day prior to the redemption date.

If cash sufficient to pay the redemption price of all Notes (or portions thereof) to be redeemed on the redemption date is deposited with the paying agent prior to 10:00 a.m., New York City time, on the redemption date, then on such redemption date, interest, including additional amounts, if any, shall cease to accrue on such Notes or portions thereof.

Offer to purchase upon a fundamental change

In the event of a fundamental change with respect to the Company at any time prior to December 31, 2018, subject to the terms and conditions of the Indenture, we shall be required to offer to purchase all of the Notes then outstanding (a "purchase offer"), on the date (the "purchase date") that is 30 business days after the date of such offer, at a purchase price equal to (i) the principal amount of the Notes to be purchased, plus (ii) accrued but unpaid interest, including additional amounts, if any, up to, but excluding, the purchase date plus (iii) if a Redemption Trigger has occurred prior to the date of the applicable fundamental change, but we have not yet made payments to the holders as provided under " *Mandatory redemption*," an additional 20% of the principal amount of the Notes; provided, that the amounts set forth in clause (iii) shall not be payable to any holder of the Notes with respect to any fundamental change arising out of or

in connection with any actions of such holder or in which such holder is an active participant (excluding, for the avoidance of doubt, voting in favor of any fundamental change that does not principally arise out of, or is not caused by, the actions of such holder).

If such purchase date is after a record date but on or prior to an interest payment date, however, then the interest payable on such date will be paid to the holder of record of the Notes on the relevant record date. Subject to satisfaction of certain conditions, we may elect to satisfy our obligation to pay the purchase price, in whole or in part, by delivering Class A Common Shares as further described under "*—Delivery of shares*."

Within 30 business days after the occurrence of a fundamental change, we shall be required to provide notice to all holders of record of Notes and to beneficial owners of the Notes as may be required by applicable law, as provided in the Indenture, stating among other things, the occurrence of a fundamental change and setting out the terms of the purchase offer, including whether the purchase price will be paid in cash or Class A Common Shares or any combination of cash or Class A Common Shares, specifying the percentages of each. We must also deliver a copy of the notice to the Trustee. We shall be required to purchase the Notes in respect of which such offer is accepted by a holder no later than 30 business days after a fundamental change notice has been mailed.

In order to accept such purchase offer, a holder must deliver prior to the purchase date a purchase notice stating among other things:

(1) if certificated Notes have been issued, the note certificate numbers (or, if the Notes are not certificated, the repurchase notice must comply with appropriate DTC procedures);

(2) the portion of the principal amount of Notes to be purchased, which must be in principal amounts of $1,000 and integral multiples of $1.00 in excess thereof; and

(3) that the Notes are to be purchased by us pursuant to the applicable provisions of the Notes and the Indenture.

A holder of Notes may withdraw any written purchase notice by delivering a written notice of withdrawal to the paying agent prior to the close of business on the business day prior to the purchase date. The withdrawal notice must state:

(1) the principal amount of the withdrawn Notes;

(2) if certificated Notes have been issued, the certificate numbers of the withdrawn Notes (or, if the Notes are not certificated, the withdrawal notice must comply with appropriate DTC procedures); and

(3) the principal amount, if any, which remains subject to the purchase notice.

We will promptly pay the purchase price for Notes surrendered for repurchase following the purchase date.

A "fundamental change" will be deemed to have occurred at the time after the Notes are originally issued that any of the following occurs:

(4) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act other than us, our subsidiaries or our or their employee benefit plans, files a Schedule TO or any schedule, form or report under the Exchange Act or applicable Canadian securities laws disclosing that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act or applicable Canadian securities laws, of our common equity representing more than 50% of the voting power of our common equity;

(5) consummation of any share exchange, consolidation, amalgamation, merger, statutory arrangement or other combination pursuant to which our Class A Common Shares will be converted into cash, securities or other property or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the

consolidated assets of us and our subsidiaries, taken as a whole, to any person other than one of our wholly-owned subsidiaries; provided, however, that a transaction where the holders of more than 50% of all classes of our common equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving corporation or transferee immediately after such event shall not be a fundamental change;

(6) continuing directors cease to constitute at least a majority of our board of directors; or

(7) our shareholders approve any plan or proposal for our liquidation or dissolution.

A fundamental change will not be deemed to have occurred, however, if at least 90% of the consideration, excluding cash payments for fractional shares, in the transaction or transactions otherwise constituting the fundamental change consists of common shares or American Depositary Shares that are traded or listed on, or immediately after the transaction or event will be traded or listed on a U.S. national securities exchange or the Toronto Stock Exchange.

We will comply with any applicable provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act and any Canadian securities laws which may then be applicable in the event of a fundamental change.

No Notes may be purchased upon a fundamental change if there has occurred and is continuing an event of default under the Indenture, other than an event of default that is cured by the payment of the fundamental change purchase price of the Notes.

These fundamental change purchase rights could discourage a potential acquirer. However, this fundamental change repurchase feature is not the result of management's knowledge of any specific effort to obtain control of us by means of a merger, tender offer or solicitation, or part of a plan by management to adopt a series of anti-takeover provisions. The term "fundamental change" is limited to specified transactions and may not include other events that might adversely affect our financial condition or business operations. Our obligation to offer to repurchase the Notes upon a fundamental change would not necessarily afford a holder of Notes protection in the event of a leveraged transaction, reorganization, merger or similar transaction involving us.

We may be unable to repurchase the Notes for cash if a fundamental change occurs. If a fundamental change were to occur, we may not have enough funds to pay the purchase price for all tendered Notes. Any future credit agreements or other agreements relating to our indebtedness may contain provisions prohibiting purchase of the Notes for cash under certain circumstances, or expressly prohibit our purchase of the Notes for cash upon a fundamental change or may provide that a fundamental change constitutes an event of default under that agreement. If a fundamental change occurs at a time when we are prohibited from purchasing Notes, we could seek the consent of our lenders to purchase the Notes or attempt to refinance this debt. If we do not obtain the consent or refinance the debt, we would not be permitted to purchase the Notes for cash and would be required to pay the purchase price in Class A Common Shares. Our failure to purchase tendered Notes would constitute an event of default under the Indenture, which might constitute a default under the terms of our other indebtedness.

Delivery of shares

We may, at our option, elect to pay the amount payable in connection with a repurchase of the Notes at the option of the holder in cash or Class A Common Shares or any combination of cash and Class A Common Shares. We may also, at our option, elect to pay the fundamental change purchase price in cash or Class A Common Shares or any combination of cash and Class A Common Shares. Our right to issue Class A Common Shares to pay the repurchase price or the fundamental change purchase price is subject to our satisfying various conditions, including:

- no event of default shall have occurred and be continuing under the Indenture;

- listing of the Class A Common Shares on the principal United States and Canadian securities exchanges on which our Class A Common Shares are then listed, or if not so listed, the listing of the Class A Common Shares on a U.S. national securities exchange;

- the registration of the Class A Common Shares under the Securities Act and the Exchange Act and applicable Canadian securities laws, if required; and

- any necessary qualification or registration under applicable state securities laws or the availability of an exemption from qualification and registration.

If these conditions are not satisfied with respect to a holder before the close of business on the repurchase date or the fundamental change purchase date, as the case may be, we will make the required payment on the Notes of the holder entirely in cash, unless each we and each such holder waive the conditions which are not satisfied. We may not change the form of components or percentages of components of consideration to be paid for the Notes once we have given the notice that we are required to give to holders of Notes, except as described in the preceding sentence.

If we elect to pay the repurchase price or the fundamental change purchase price in Class A Common Shares, the number of Class A Common Shares to be delivered by us will be determined by dividing the amount of the payment to be made, and that is not paid in cash, by 95% of the average of the Daily VWAP prices of the Class A Common Shares for the 10 consecutive trading days ending on the third trading day preceding the repurchase date or the fundamental change purchase date, as the case may be, approximately adjusted to take into account the occurrence, during the period commencing on the first of such trading days during such 10 day period and ending on such repurchase date or fundamental change purchase date, of certain events that would result in an adjustment of the conversion rate with respect to the Class A Common Shares. See " *Conversion rate adjustment*s."

We will not issue any fractional shares in connection with our delivery of Class A Common Shares upon our repurchase of the Notes at the option of the holder or purchase of the Notes in connection with a fundamental change. Instead, we will pay cash based on the closing price of our Class A Common Shares on the applicable payment date for any fractional shares we would otherwise deliver on account of the Notes.

If we elect to satisfy any payment of the repurchase price or the fundamental change purchase price in Class A Common Shares, we will give you notice at least 20 business days before the payment date. Our notice will state:

- whether we will make the payment in cash or Class A Common Shares or any combination of cash and Class A Common Shares;

- if both cash and Class A Common Shares are payable, the percentage of each applicable form of payment on a per Note basis; and

- the method of calculating the average closing price of the Class A Common Shares.

When we determine the actual number of Class A Common Shares in accordance with the foregoing provisions, we will publish the information on our website or through such other public medium as we may use at that time, including filing a report on Form 6-K with the SEC.

Because the average closing price of the Class A Common Shares is determined prior to the applicable payment date, holders of Notes bear the market risk with respect to the value of the Class A Common Shares to be received from the date the average market price is determined to the payment date. We may deliver Class A Common Shares as payment for the repurchase price or the fundamental change purchase price only if the information necessary to

calculate the average closing price is published daily in a newspaper of U.S. or Canadian national circulation or such other public medium as we may use at that time.

Consolidation, merger and sale of assets by us

The Indenture provides that we may, without the consent of any holder of Notes, amalgamate with, consolidate or combine with or merge with or into any other person or sell, transfer or lease all or substantially all of our properties and assets substantially as an entirety to another person, provided that:

- the resulting, surviving or transferee person (the "successor company") will be a corporation, partnership, limited liability company or trust organized and existing under the laws of the United States of America, any state thereof, the District of Columbia, Puerto Rico or the laws of Canada or any province or territory thereunder and the successor company (if not us) will expressly assume, by a supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all of our obligations under the Notes and the Indenture;

- the Trustee receives an officers' certificate to the effect that the transaction will not result in the successor company being required to make any deduction or withholding on account of certain Canadian taxes from any payments in respect of the Notes;

- immediately after giving effect to such transaction, no default under the Indenture, and no event which, after notice or lapse of time or both, would become a default under the Indenture, shall have occurred and be continuing; and

- we shall have delivered to the Trustee an officers' certificate and an opinion of counsel stating that the amalgamation, consolidation, merger or transfer and such supplemental Indenture (if any) comply with the provisions of the Indenture.

The successor company will succeed to, and be substituted for, and may exercise every right and power of, us under the Indenture, but in the case of a sale, transfer or lease of substantially all our assets that results in the sale, assignment, conveyance, transfer or other disposition or assets constituting or accounting for less than 95% of our consolidated assets, revenue or net income (loss), we will not be released from the obligation to pay the principal of and interest on the Notes.

Additional amounts

We will make payments on account of the Notes without withholding or deducting on account of any present or future duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other liabilities related thereto) imposed or levied by or on behalf of the Government of Canada or of any province or territory thereof or by any authority or agency therein or thereof having the power to tax ("Canadian taxes"), unless we are required by law or the interpretation or administration thereof, to withhold or deduct Canadian taxes. If we are required to withhold or deduct any amount on account of Canadian taxes, we will make such withholding or deduction and pay as additional interest the additional amounts ("additional amounts") necessary so that the net amount received by each holder of Notes after the withholding or deduction (including with respect to additional amounts) will not be less than the amount the holder would have received if the Canadian taxes had not been withheld or deducted. We will make a similar payment of additional amounts to holders of Notes (other than excluded holders) that are exempt from withholding but are required to pay tax directly on amounts otherwise subject to withholding. However, no additional amounts will be payable with respect to a payment made to a holder or former holder of Notes (an "excluded holder") in respect of the beneficial owner thereof:

(a) with which we do not deal at arm's length (within the meaning of the *Income Tax Act* (Canada)) at the time of making such payment;

(b) that is subject to such Canadian taxes by reason of its failure to comply with any certification, identification, information, documentation or other reporting requirement if compliance is required by law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or a reduction in the rate of deduction or withholding of, such Canadian taxes (provided that in the case of any imposition or change in any such certification, identification, information, documentation or other reporting requirements which applies generally to holders of Notes who are not residents of Canada, at least 60 days prior to the effective date of any such imposition or change, we shall give written notice, in the manner provided in the Indenture, to the Trustee and the holders of the Notes then outstanding of such imposition or change, as the case may be, and provide the Trustee and such holders with such forms or documentation, if any, as may be required to comply with such certification, identification, information, documentation, or other reporting requirements); or

(c) that is subject to such Canadian taxes by reason of its carrying on business in or otherwise being connected with Canada or any province or territory thereof otherwise than by the mere holding of such Notes or the receipt of payment, or exercise of any enforcement rights thereunder;

and no additional amounts will be payable with respect to any estate, inheritance, gift, sales, excise, transfer, personal property or similar tax, assessment or governmental charge (the "excluded taxes").

We will remit the full amount we withhold or deduct to the relevant authority. Additional amounts will be paid in cash quarterly, on the applicable March 31, June 30, September 30 and December 31, at maturity, on any redemption date, on a conversion date (if applicable) or on any purchase date. With respect to references in this prospectus to the payment of principal or interest on any Note, such reference shall be deemed to include the payment of additional amounts to the extent that, in such context, additional amounts are, were or would be payable.

We will furnish to the Trustee, within 30 days after the date the payment of any Canadian taxes is due pursuant to applicable law, certified copies of tax receipts evidencing that such payment has been made. We will indemnify and hold harmless each holder of Notes (other than an excluded holder or with respect to excluded taxes) and upon written request reimburse each such holder for the amount of (a) any Canadian taxes so levied or imposed and paid by such holder as a result of payments made under or with respect to the notes, (b) any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, and (c) any Canadian taxes levied or imposed and paid by such holder with respect to any reimbursement under (a) and (b) above, but excluding any excluded taxes.

Limitation on layering indebtedness

The Indenture generally provides that we may not incur indebtedness that is contractually senior in right of payment to the Notes and contractually subordinate in right of payment to any of our other indebtedness.

Other negative covenants

Pledge of Mining Data and Arbitration Awards. The Indenture provides that, except as provided in the Indenture and the Security Documents, we shall not pledge, hypothecate, transfer or otherwise dispose of or encumber the Mining Data or any Arbitration Award (each as defined under "—*Mandatory redemption*") (or permit any subsidiary to take any of the foregoing actions) without the consent of holders of not less than 75% in aggregate principal amount of the then outstanding Notes, voting together as a single class.

Limitation on Incurrence of Indebtedness. The Indenture provides that we shall not incur any additional indebtedness (or permit any subsidiary to incur any indebtedness) without the consent of holders of not less than 75% in aggregate principal amount of the outstanding Notes, voting together as a single class, which consent shall not be unreasonably withheld, denied or delayed; provided, that this paragraph shall not apply to (i) the payment of principal, interest and/or premium, if any, on the Notes, if any, (ii) the payment or incurrence of ordinary course obligations, including indebtedness (other than debt for borrowed money), of the Company consistent with past practice, (iii) the incurrence of other indebtedness that is expressly subordinated in right of payment (pursuant to terms, reasonably acceptable to the Majority Holders, which shall not be unreasonably withheld, denied or delayed) or (iv) the incurrence or payment of tax or withholding obligations as required under applicable law arising from the receipt of proceeds with respect to the Arbitration Award (as defined under "—*Mandatory redemption*"). "Majority H