

GOLD RESERVE INC
Form DEF 14A
April 30, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, DC 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-12

GOLD RESERVE INC.

(Name of Registrant as Specified in Its Charter)

Not Applicable

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by Registration Statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement no.:

(3) Filing party:

(4) Date filed:

GOLD RESERVE INC.

926 W. Sprague Avenue, Suite 200,

Spokane, WA 99201

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual Meeting (the "Meeting") of the holders of Class A common shares and Class B common shares (collectively, the "Shareholders") of GOLD RESERVE INC. (the "Company") will be held at the Spokane Club, located at 1002 W. Riverside, Spokane, Washington USA, on June 8, 2010 at 9:30 a.m. (Pacific daylight time) for the following purposes:

- 1) To elect directors of the Company to hold such positions until the next annual meeting of Shareholders or until their successors are elected and have qualified;
- 2) To appoint auditors of the Company and to authorize the directors of the Company to fix their remuneration;
- 3) To receive the financial statements of the Company for the year ended December 31, 2009, together with the report of the auditors thereon; and
- 4) To conduct any other business as may properly come before the meeting or any adjournment thereof.

Shareholders who are unable to attend the Meeting or any adjournment or postponement thereof in person and who wish to ensure that their shares will be voted are requested to complete, sign and mail the enclosed form of proxy to Proxy Services, c/o Computershare Trust Company N.A., P.O. Box 43102, Providence, RI 02940-5068. Proxies must be received not later than the close of business two business days immediately preceding the Meeting or any adjournment thereof. A form of proxy, proxy statement/information circular, supplemental mailing list return card and a copy of the Company's Annual Report accompany this notice. The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying proxy statement/information circular.

This Notice of Annual Meeting of Shareholders, the Annual Report and Supplemental Mailing List Return Card are being mailed or made available to Shareholders entitled to vote at the Annual Meeting, on or about May 4, 2010.

The Board of Directors has fixed the close of business on April 20, 2010 as the record date for the determination of Shareholders entitled to notice of the meeting and any adjournment or postponement thereof.

DATED this 30th day of April, 2010

BY ORDER OF THE DIRECTORS

Rockne J. Timm

Chief Executive Officer

GOLD RESERVE INC.

PROXY STATEMENT/INFORMATION CIRCULAR

MANAGEMENT SOLICITATION OF PROXIES

This Proxy Statement/Information Circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of GOLD RESERVE INC. (the “Company”) to be voted at the Annual Meeting of Shareholders of the Company (the “Meeting”) to be held on Tuesday, the 8th day of June, 2010 at 9:30 a.m. (Pacific daylight time), at the Spokane Club located at 1002 W. Riverside, Spokane, Washington and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. The solicitation of proxies will be primarily by mail but proxies may also be solicited personally or by telephone by employees of the Company. Employees will not receive any extra compensation for such activities. The Company may pay brokers, nominees or other persons holding shares of the Company in their name for others for their reasonable charges and expenses in forwarding proxies and proxy materials to beneficial owners of such shares, and obtaining their proxies. The Company may also retain independent proxy solicitation agents to assist in the solicitation of proxies for the Meeting. The cost of all solicitations of proxies will be borne by the Company. Except where otherwise stated, the information contained herein is given as of the 30th day of April, 2010.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting To Be Held On June 8, 2010:

The Notice, Proxy Statement/Information Circular and Annual Report on Form 10-K are available on our website at www.goldreserveinc.com.

CURRENCY

Unless otherwise indicated, all currency amounts referred to herein are stated in U.S. dollars.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the enclosed form of proxy are directors or officers of the Company. A Shareholder (as defined below) submitting a proxy has the right to appoint a person or company, who need not be a Shareholder, to represent the Shareholder at the Meeting other than the persons designated in the form of proxy furnished by the Company. To exercise this right, the Shareholder may insert the name of the desired representative in the blank space provided in the proxy or may submit another appropriate form of proxy permitted under applicable law.

The completed proxy must be deposited at the office of Proxy Services, c/o Computershare Trust Company N.A., P.O. Box 43102, Providence, RI 02940-5068 not later than the close of business two business days preceding the day of the Meeting or any adjournment or postponement thereof, or with the Chairman of the Meeting immediately prior to the commencement of the Meeting or any adjournment or postponement thereof, otherwise the instrument of proxy will be invalid.

See “Voting By Non-Registered Shareholders” below for a discussion of how non-registered Shareholders (i.e. Shareholders that hold their shares through an account with a bank, broker or other nominee in “street name”) may appoint proxies.

You may revoke or change your proxy at any time before it is exercised at the Meeting. In the case of Shareholders appearing on the registered shareholder records of the Company, a proxy may be revoked at any time prior to its exercise by sending or depositing a written notice of revocation or another signed proxy bearing a later date to the Secretary of the Company at its principal executive office located at 926 W. Sprague Avenue, Suite 200, Spokane, Washington 99201 not later than the close of business two business days preceding the Meeting or any adjournment or postponement thereof. You may also revoke your proxy by giving notice or by voting in person at the Meeting; your attendance at the Meeting, by itself, is not sufficient to revoke your proxy.

Shareholders appearing in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee in revoking their previously voted shares.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. In the absence of such choice being specified, such shares will be voted “for” the matters specifically identified in the Notice of Annual Meeting of Shareholders accompanying this Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Shareholders and with respect to other matters which may properly be brought before the Meeting. **If any other matters are properly presented for consideration at the Meeting, or if any of the identified matters are amended or modified, the individuals named as proxies on the enclosed form of proxy will vote the shares that they represent on those matters as recommended by management. If management does not make a recommendation, then they will vote in accordance with their best judgment.** At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Annual Meeting of Shareholders.

VOTING RIGHTS AND PRINCIPAL SHAREHOLDERS

The Company's issued and outstanding shares consist of Class A common shares (each, a "Class A Share") and Class B common shares (each, a "Class B Share"). Unless otherwise noted, references to Common Shares in this Circular include both Class A Shares and Class B Shares. Holders of Common Shares (collectively, the "Shareholders") are entitled to one vote per share and will vote as a single class on all matters to be considered and voted upon at the Meeting or any adjournment thereof. As of April 16, 2010, the latest practicable date, there were 58,016,663 issued and outstanding Class A Shares and 500,236 issued and outstanding Class B Shares for a total of 58,516,899 Common Shares outstanding.

As of April 16, 2010, there were 340,000 issued and outstanding unvested restricted shares, all of which were issued under the Company's Equity Incentive Plan and Venezuelan Equity Incentive Plan. All such unvested restricted shares are Class A Shares and carry full voting rights. The terms "restricted stock" and "restricted shares" are used interchangeably in this Circular. These restricted shares represent approximately 0.6% of the aggregate Common Shares.

The Company has set the close of business on April 20, 2010 as the record date for the Meeting. The Company will prepare a list of Shareholders of record at such time. Shareholders will be entitled to vote the Common Shares then registered in their name at the Meeting except to the extent that (a) the holder has transferred the ownership of any of his Common Shares after that date, and (b) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the shares, and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, as of April 16, 2010, the only person, firm or corporation that beneficially owned, directly or indirectly, or exercised control or direction over more than 5% of the voting rights attached to the Common Shares was:

Shareholder Name and Address	Number of Common Shares Held	Percentage of Common Shares Issued ⁽⁴⁾
West Face Capital, Inc. 2 Bloor Street East, Suite 810 P.O. Box 85 Toronto, Ontario M4W 1A8	8,700,000 ⁽¹⁾	14.9%
Jaguar-Portland Holdings LLC 1370 Avenue of the Americas, 19 th Floor New York, NY 10019	7,297,823 ⁽²⁾	12.5%
Steelhead Partners, LLC 1301 First Avenue, Suite 201	4,418,885 ⁽³⁾	7.6%

Seattle, WA 98101

- (1) Based on Schedule 13D filed by West Face Capital, Inc. with the Securities and Exchange Commission on April 9, 2010. West Face Capital, Inc. reports an additional 1,713,130 shares related to our convertible notes that it holds as being beneficially owned for purposes of its Schedule 13D. However, as the Company has the option to deliver cash for any such convertible notes, we do not include that number in this chart.
 - (2) Based on an Early Warning Report filed by Jaguar-Portland Holdings LLC on SEDAR on February 24, 2010.
 - (3) Based on an Early Warning Report filed by Steelhead Partners, LLC on SEDAR on August 4, 2009. Steelhead Partners LLC reports an additional 3,876,923 shares related to our convertible notes that it holds as being beneficially owned for purposes of its Early Warning Report. However, as the Company has the option to deliver cash for any such convertible notes, we do not include that number in this chart.
 - (4) Based on the number of shares outstanding on April 16, 2010.
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A quorum for the transaction of business at any meeting of the Shareholders shall be holders of at least one-third (1/3) of the outstanding Common Shares present in person or represented by proxy. Except as otherwise stated in this Circular, the affirmative vote of a majority of the votes cast with respect to an item or proposal at the Meeting (an ordinary resolution) is required to approve all items presented in this Circular.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered Shareholders at the close of business on April 20, 2010 or the persons they designate as their proxies are permitted to vote at the Meeting. In many cases, however, the Common Shares owned by a person (a “non-registered holder”) are registered either: (a) in the name of an intermediary (an “Intermediary”) that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of this Circular and the accompanying notice of meeting and form of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of Common Shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive the Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under the heading “Appointment and Revocation of Proxies”; or

(b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “Voting Instruction Form”) which the Intermediary must follow. Typically, the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. **Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the non-registered shareholder), the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name, or such other person's name, in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary, including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.**

A non-registered shareholder may revoke a form of proxy or Voting Instruction Form given to an Intermediary by contacting the Intermediary through which the non-registered shareholder's Common Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or Voting Instruction Form, the written notice should be received by the Intermediary well in advance of the Meeting.

Under relevant New York Stock Exchange ("NYSE") rules that apply to NYSE-member brokers, if you do not instruct your broker how to vote, your broker will be able to vote your Shares with respect to "routine" matters such as the appointment of PricewaterhouseCoopers LLP as the Company's independent auditors (Proposal 2) but not "non-routine" matters. **As a result of this change in NYSE rules, we note that, unlike at our previous annual meetings, the election of directors will be considered a non-routine matter under NYSE rules and your broker will not be able to vote your shares with respect to Proposal 1 (Election of Directors) if you have not instructed your broker how to vote.**

BUSINESS OF THE MEETING

Item 1 – Election of Directors

The articles of the Company provide that the Board of Directors (the “Board”) shall consist of a minimum of 3 and a maximum of 15 directors, with the actual number of directors to be determined from time to time by the Board. The Company’s Board presently consists of seven members.

The Board held seven formal meetings during 2009 at which attendance, in person or by phone, averaged 96%. Various matters were considered and approved by written resolution during the year. The Board also held several informal meetings throughout the year. Messrs. Timm, Belanger, Coleman, Geyer and Mikkelsen attended all seven of the formal meetings; Mr. McChesney and Mr. Potvin each attended six of the seven formal meetings.

The by-laws of the Company provide that each director shall be elected to hold office until the next annual meeting of the Company’s Shareholders or until their qualified successors are elected. All of the current directors’ terms expire the date of the Meeting and it is proposed by management that each of them be re-elected to serve until the next annual meeting of Shareholders unless they resign or are removed from the Board in accordance with the by-laws of the Company.

Directors are elected by the affirmative vote of a majority of the votes cast with respect to the election of each director at the Meeting. Any nominee for director who does not receive such a majority vote is not elected to the Board.

Management recommends that you vote FOR the election of each of the directors.

The following information with respect to the business experience of nominees for election to the Board has been supplied by the director or obtained from our records.

Rockne J. Timm, 64, a director since 1984. Mr. Timm’s principal occupation is Chief Executive Officer of the Company, a position he has held since 1988. Mr. Timm has also served as President and Chairman of the Board from 1988 until January 2004. Mr. Timm is Chairman of the Executive Committee. He has been a director and executive officer of the Company’s Venezuelan and foreign subsidiaries since 1992 and he is President and director of Great Basin Energies, Inc. since 1981 and MGC Ventures, Inc. since 1989. Mr. Timm resides in Spokane, Washington, USA.

Key attributes, experience and skills: As our Chief Executive Officer since 1988 he has considerable institutional knowledge of the Company and its activities in Venezuela. He has over 28 years experience in the mining industry which is a key component of our Board’s collective experience. He has served as the chief financial officer of an operating gold mining company and director and chief financial officer of a gold development stage company which provides additional experience and skills that are helpful to our Board. It is these attributes that lead the Board to conclude that Mr. Timm should continue to serve as a director of the Company.

A. Douglas Belanger, 56, a director since August 1988. Mr. Belanger's principal occupation is President of the Company, a position he has held since January 2004. Mr. Belanger has also served as Executive Vice President from 1988 through January 2004. He has been a director and executive officer of the Company's Venezuelan and subsidiaries since 1992 and is Executive Vice President and director of Great Basin Energies Inc. since 1984 and MGC Ventures, Inc. since 1997. Mr. Belanger resides in Spokane, Washington, USA.

Key attributes, experience and skills: Mr. Belanger has extensive experience as a director of public companies and in the areas of corporate governance and compliance, which includes his history as a gold mining analyst for two major Canadian investment banks and a policy analyst for the Canadian federal government. He also has several years' experience as a field geologist with various major Canadian mining companies. It is these attributes that lead the Board to conclude that Mr. Belanger should continue to serve as a director of the Company.

James P. Geyer, 58, a director of the Company since June 1997. Mr. Geyer's principal occupation is Senior Vice President of the Company, a position he has held since January of 1997. Mr. Geyer is also a director of Thompson Creek Metals Company Inc. Mr. Geyer resides in Spokane, Washington, USA.

Key attributes, experience and skills: Mr. Geyer is a mining engineer and has been actively involved in the development of the Brisas Project for the past 13 years. He has over 30 years in the mining industry with open pit and underground mining experience adding to the Board's collective experience. He has served as the chief operating officer of a gold mining company with responsibility for six producing gold mines and several development projects. It is these attributes that lead the Board to conclude that Mr. Geyer should continue to serve as a director of the Company.

Non-executive Directors

The Board has determined that each of the following members of the Board satisfy the definition of "independent director" as established in the NYSE Amex listing standards and SEC rules.

James H. Coleman, Q.C., 59, a director of the Company since February 1994 and chairman since 2004. The principal occupation of Mr. Coleman, Q.C., is as a Partner with the law firm of Macleod Dixon LLP, of Calgary. He is also a director of Great Basin Energies Inc. since 1996, MGC Ventures, Inc. since 1997; Anterra Energy Inc. since 2007, Salamander Energy Plc. since 2008, Energold Drilling Corp. since 1994, and Sulliden Exploration, Inc. since 2005. Mr. Coleman resides in Calgary, Alberta, Canada.

Key attributes, experience and skills: Mr. Coleman has been involved in banking, corporate, securities, mining and oil and gas transactions in Canada, the United States, Europe, Central and South America, Africa and Asia. He has also been involved in a number of large divestments and acquisitions, corporate reorganizations and major financings within the energy sector. As a director of a number of public companies, including mining and oil and gas companies, Mr. Coleman has chaired various independent committees of public companies relating to corporate, governance and securities matters. In addition to his work in the legal and business sectors, Mr. Coleman is also a member of the Rocky Mountain Mineral Law Foundation and the Prospectors and Developers Association of Canada. It is these attributes that lead the Board to conclude that Mr. Coleman should continue to serve as a director of the Company.

Patrick D. McChesney, 60, a director since 1988 and Chief Financial Officer of the Company from 1988 to 1993. He is a director of Great Basin Energies, Inc. since 2002 and MGC Ventures, Inc. since 1989. Mr. McChesney's principal occupation is chief financial officer of Foothills Auto Group, an automobile dealership group based in Spokane, Washington, a position he has held since 2005. Mr. McChesney resides in Spokane, Washington, USA.

Key attributes, experience and skills: Mr. McChesney was a certified public accountant and a financial officer of an operating gold mining company and has been president and a director of a company that manufactured automated test equipment for the semiconductor industry. He has been involved in the mining industry since 1983 and has considerable knowledge regarding the Company's activities in Venezuela and currently serves on the audit and compensation committees. It is these attributes that lead the Board to conclude that Mr. McChesney should continue to serve as a director of the Company.

Chris D. Mikkelsen, 58, a director since 1997. He is a certified public accountant and since 1976, Mr. Mikkelsen's principal occupation has been as a principal in the certified public accounting firm of McDirmid, Mikkelsen & Secrest, P.S. based in Spokane, Washington. He has been a director of Great Basin Energies, Inc. and MGC Ventures, Inc. since 1997. Mr. Mikkelsen resides in Spokane, Washington, USA.

Key attributes, experience and skills: Mr. Mikkelsen has an extensive background in providing operational and tax advice to a wide variety of clients and businesses. During the last several years he has been a board member of several charitable and civic organizations. He has considerable knowledge of the Company and currently serves on the audit and compensation committees. It is these attributes that lead the Board to conclude that Mr. Mikkelsen should continue to serve as a director of the Company.

Jean Charles Potvin, 56, a director since November 1993 and currently serves on the audit and compensation committees. Mr. Potvin's principal occupation is as director and Chairman of Vaaldiam Mining Ltd., a company involved in the development and production of diamonds in Brazil, which currently holds a 100 percent interest in the Kwale titanium-bearing mineral sands deposit in Kenya and which recently sold a 49 percent interest in the Pukaqaqa copper gold deposit in Peru. Mr. Potvin resides in Toronto, Ontario, Canada.

Key attributes, experience and skills. Mr. Potvin is also a member of the audit committee of Azimut Exploration Ltd also a publicly listed mineral exploration company and is a director of GobiMin which operates in China. He is also a director of Kivu Gold Corp and Rukwa Uranium, both privately held companies. Mr. Potvin holds a Bachelor of Science degree in Geology from Carleton University and an MBA from the University of Ottawa. He spent nearly 14 years as a mining investment analyst for a large Canadian investment brokerage firm (Burns Fry Ltd., now BMO Nesbitt Burns Inc.). It is these attributes that lead the Board to conclude that Mr. Potvin should continue to serve as a director of the Company.

Involvement in Certain Legal Proceedings

Cease Trade Orders or Bankruptcies

Mr. Coleman served as a non-executive director of McCarthy Corporation Plc. from 1993 to March 2003, which proposed a voluntary arrangement with its creditors pursuant to the legislation of the United Kingdom.

Security Ownership of Management

The following table discloses the number and percentage of the Common Shares beneficially owned by each director and executive officer named in the Circular and by all directors and officers as a group, as of April 20, 2010.

Name of Beneficial Owner	Amount ⁽¹⁾	Percent of Class
Rockne J. Timm ^{(2) (3)}		
Washington, USA		
Chief Executive Officer and Director A. Douglas Belanger ^{(2) (3)}	1,927,958	3.3%
Washington, USA		
President and Director James P. Geyer	2,180,859	3.7%
Washington, USA		
Senior Vice-President and Director James H. Coleman, Q.C. ^{(2) (3)}	672,211	1.1%
Alberta, Canada		
Non-Executive Chairman and Director Patrick D. McChesney ^{(2) (3)}	379,606	*
Washington, USA		
Director Chris D. Mikkelsen ^{(2) (3)}	263,713	*
Washington, USA		
Director Jean Charles Potvin	536,597	*
Ontario, Canada		
Director Robert A. McGuinness ^{(2) (3)}	353,160	*
Washington, USA		
Vice President Finance and CFO Douglas E. Stewart	453,286	*
Vice President – Project Development		
	267,500	*

Directors and officers as a group

7,380,151 12.6%

*Indicates less than 1%

(1) Includes Common Shares issuable pursuant to options exercisable as of April 20, 2010 or exercisable within 60 days of April 20, 2010 as follows: Mr. Timm 629,333; Mr. Belanger 594,723; Mr. Geyer 358,056; Mr. Coleman 160,556; Mr. McChesney 160,556; Mr. Mikkelsen 160,556; Mr. Potvin 160,556; Mr. McGuinness 230,694; and Mr. Stewart 127,500. These numbers also include unvested, restricted shares held that carry full voting rights as follows: Mr. Timm 50,000 shares; Mr. Belanger 45,000 shares; Mr. Geyer 30,000 shares; Mr. Coleman 27,000 shares; Mr. McChesney 27,000 shares; Mr. Mikkelsen 27,000 shares; Mr. Potvin 27,000 shares; Mr. McGuinness 30,000 shares; and Mr. Stewart 20,000 shares. The number includes direct ownership of Common Shares as follows: Mr. Timm 1,180,125 shares; Mr. Belanger 1,541,136 shares; Mr. Geyer 284,155 shares; Mr. Coleman 192,050 shares; Mr. McChesney 76,157 shares; Mr. Mikkelsen 349,041 shares; Mr. Potvin 165,604 shares; Mr. McGuinness 193,132 shares; and Mr. Stewart 120,000 shares. The amount for Mr. Timm also includes indirect beneficial ownership of 68,500 shares owned by his daughter and grandchildren.

(2) Messrs. Timm, Belanger, Coleman, McChesney, Mikkelsen and McGuinness are directors and/or officers of Great Basin Energies, Inc., which owns 491,192 Common Shares, or 0.8% of the outstanding Common Shares. The foregoing individuals beneficially own 10.3%, 7.3%, 2.9%, 2.0%, 1.8%, and 1.3% respectively, of the outstanding common shares of Great Basin Energies, Inc. and may be deemed indirectly to have an interest in the Company through their respective management positions and/or ownership interests in Great Basin Energies, Inc. Each of the foregoing individuals disclaims any beneficial ownership of the Common Shares owned by Great Basin Energies, Inc. and such Common Shares are not included in this total.

(3) Messrs. Timm, Belanger, Coleman, McChesney, Mikkelsen and McGuinness are directors and/or officers of MGC Ventures, Inc., which owns 258,083 Common Shares, or 0.4% of the outstanding Common Shares. The foregoing individuals beneficially own 11.5%, 11.7%, 4.8%, 3.8%, 2.9%, and 1.7% respectively, of the outstanding common shares of MGC Ventures, Inc. and may be deemed indirectly to have an interest in the Company through their respective management positions and/or ownership interests in MGC Ventures, Inc. Each of the foregoing individuals disclaims any beneficial ownership of the Common Shares owned by MGC Ventures, Inc. and such Common Shares are not included in this total.

The following table represents the Directors and the committees on which they serve.

Director	Executive Committee	Audit Committee	Compensation Committee	Nominating Committee
Rockne J. Timm	Chair			
A. Douglas Belanger	X			
James P. Geyer				
James H. Coleman, Q.C	X			X
Patrick D. McChesney		X	X	
Chris D. Mikkelsen		Chair	Chair	X
Jean Charles Potvin		X	X	X

The persons named in the accompanying form of proxy intend to vote for the election of these nominees unless otherwise directed. Management does not contemplate that the nominees will be unable to serve as directors.

If you complete and return the attached form of proxy, your representative at the Meeting, or any adjournment or postponement thereof, will vote your shares FOR the election of the nominees set out herein unless you specifically direct that your vote be withheld.

The election of directors under this Item 1 is considered a non-routine matter under NYSE rules and, if you hold your shares through a broker, your broker will not be able to vote your shares with respect to this proposal if you have not instructed your broker how to vote.

Item 2 Appointment of Auditors

It is proposed that the firm of PricewaterhouseCoopers LLP be appointed by the Shareholders as independent certified public accountants to audit the financial statements of the Company for the year ending December 31, 2010 and that the Board be authorized to fix the auditors' remuneration. PricewaterhouseCoopers LLP were first appointed auditors of the Company in 1992. Representatives of PricewaterhouseCoopers LLC are not expected to be present at the

Meeting.

The affirmative vote of a majority of the votes cast with respect to this proposal at the Meeting is required to approve the appointment of PricewaterhouseCoopers LLP as the Company's auditors at a remuneration to be fixed by the Board.

Management recommends that you vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's auditors at a remuneration to be fixed by the Board.

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's auditors at a remuneration to be fixed by the Board.

The appointment of PricewaterhouseCoopers LLP as the Company's auditors under this Item 2 is considered a routine matter under NYSE rules and if you hold your shares through a broker, your broker will be able to vote your shares with respect to this proposal even if you have not instructed your broker how to vote.

Item 3 – Consolidated Financial Statements

A copy of the consolidated financial statements of the Company for the year ended December 31, 2009 and the report of the auditors on the consolidated financial statements are included in the Annual Report and will be submitted at the Meeting. Copies of the consolidated financial statements can also be obtained on www.sec.gov and www.sedar.com.

Code of Conduct and Ethics

The Board has adopted the Gold Reserve Inc. Code of Conduct and Ethics which can be found at www.goldreserveinc.com under Investor Relations – Corporate Governance and is available in print to any Shareholder who requests it from the Company by writing to us at Gold Reserve Inc., 926 W. Sprague Ave. Suite 200, Spokane, WA 99201, Attn: Investor Relations.

Executive Officers

Robert A. McGuinness - Vice President of Finance, Chief Financial Officer

Mr. McGuinness' principal occupation with the Company is as Vice President of Finance since March 1993 and Chief Financial Officer since June 1993. He also serves as Vice President of Finance, Chief Financial Officer and Treasurer of Great Basin Energies, Inc. and MGC Ventures, Inc. Mr. McGuinness resides in Spokane, Washington, USA.

Douglas E. Stewart - Vice President of Project Development

Mr. Stewart's principal occupation with the Company is Vice President of Project Development since April 1997. Mr. Stewart resides in Castle Rock, Colorado, USA.

Mary E. Smith - Vice President of Administration and Secretary

Ms. Smith's principal occupation with the Company is as Vice President of Administration since January 1997 and Secretary since June 1997. She also serves as Vice President of Administration and Secretary of Great Basin Energies Inc. and MGC Ventures, Inc. Ms. Smith resides in Colbert, Washington, USA.

eXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Committee

The Company's compensation program was administered during 2009, and has and will continue to be administered in 2010, by the Compensation Committee of the Board (the "Compensation Committee"), composed of Mr. Mikkelsen, Mr. Potvin and Mr. McChesney. Mr. McChesney was appointed to the Compensation Committee on December 7, 2009. The Compensation Committee met four times during 2009. While serving on the Compensation Committee, each of the members attended all four meetings.

The Board had determined that each member of the Compensation Committee satisfied the definition of "independent director" as established in the NYSE Amex listing standards and SEC rules. The Compensation Committee currently has no written charter.

The function of the Compensation Committee is to evaluate the Company's performance and the performance of the Chief Executive Officer, the Chief Financial Officer and each of the next three most highly compensated executive officers (collectively, the "Named Executive Officers"). The Compensation Committee approves the cash and equity-based compensation of the Named Executive Officers and submits such approvals to the full Board for ratification. The Board has complete discretion over the amount and composition of each Named Executive Officer's compensation. Compensation matters relating to the directors were administered by the full Board. Each Named Executive Officer that is a member of the Board abstains from voting on their respective compensation package.

Compensation Program Philosophy

The goal of the compensation program is to attract, retain and reward employees and other individuals who contribute to both the immediate and the long-term success of the Company. Contributions are largely measured subjectively, and are rewarded through cash and equity-based compensation vehicles.

The following objectives are considered in setting the compensation programs for the Named Executive Officers:

- Set compensation and incentive levels that reflect competitive market practices for similar experience and similar size companies; and
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- Encourage stock holdings to align the interests of the Named Executive Officers with those of Shareholders.

The Company evaluates the extent to which strategic and business goals are met and measures individual performance, albeit subjectively, and the degree to which teamwork and Company objectives are promoted. The Company strives to achieve a balance between the compensation paid to a particular individual and the compensation paid to other employees and executives having similar responsibilities within the Company. The Company also strives to ensure that each employee understands the components of his or her salary, and the basis upon which it is determined and adjusted.

There is currently no policy requiring officer or director ownership of shares of the Company.

Compensation Elements and Rationale for Pay Mix Decisions

To reward both short and long-term performance in the compensation program and in furtherance of the Company's compensation objectives noted above, the Company's executive compensation philosophy includes the following two principles.

Compensation levels should be competitive

A competitive compensation program is vital to the Company's ability to attract and retain qualified senior executives. The Company regularly assesses peer group data to ensure that the compensation program is competitive.

Incentive compensation should balance short and long-term performance

To reinforce the importance of balancing strong short-term annual results and long-term viability and success, Named Executive Officers may receive both short and long-term incentives. Short-term incentives focus on the achievement of certain objectives for the upcoming year, while stock options and stock bonus awards create a focus on share price appreciation over the long term.

Compensation Benchmarking

The Company in the past established base salaries by using an extensive internal survey of base salaries paid to officers of mining companies with similar experience, similar size mining projects, small to medium size producing companies and other development stage mining companies with large mining projects. The companies considered in our internal survey were:

Minera Andes Incorporated

Mines Management, Inc.

Coeur d'Alene Mines Corporation

Hecla Mining Company

Greystar Resources Ltd.

Gabriel Resources Ltd.

NovaGold Resources Inc.

Crystallex International Corporation

Rusoro Mining Ltd.

All of the participants of the internally generated survey are listed on the NYSE Amex, TSX or TSX-Venture Exchange. For these reasons the Compan