

Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund

OMB No. 1545-1002

Attachment
 Sequence No. **69**

▶ See separate instructions.

Name of shareholder	Identifying number (see instructions)
Number, street, and room or suite no. (If a P.O. box, see instructions.)	Shareholder tax year: calendar year 20 _____ or other tax year beginning _____, 20 _____ and ending _____, 20 _____.
City or town, state, and ZIP code or country	
Check type of shareholder filing the return: <input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Nongrantor Trust <input type="checkbox"/> Estate	
Name of passive foreign investment company (PFIC) or qualified electing fund (QEF)	Employer identification number (if any)
Address (Enter number, street, city or town, and country.)	Tax year of company or fund: calendar year 20 _____ or other tax year beginning _____, 20 _____ and ending _____, 20 _____.

Part I Elections (See instructions.)

- A** **Election To Treat the PFIC as a QEF.** I, a shareholder of a PFIC, elect to treat the PFIC as a QEF. Complete lines 1a through 2c of Part II.
- B** **Deemed Sale Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF, elect to recognize gain on the deemed sale of my interest in the PFIC. Enter gain or loss on line 10f of Part IV.
- C** **Deemed Dividend Election.** I, a shareholder on the first day of a PFIC's first tax year as a QEF that is a controlled foreign corporation (CFC), elect to treat an amount equal to my share of the post-1986 earnings and profits of the CFC as an excess distribution. Enter this amount on line 10e of Part IV.
- D** **Election To Extend Time For Payment of Tax.** I, a shareholder of a QEF, elect to extend the time for payment of tax on the undistributed earnings and profits of the QEF until this election is terminated. Complete lines 3a through 4c of Part II to calculate the tax that may be deferred.

Note: If any portion of line 1a or line 2a of Part II is includible under section 951, you may **not** make this election. Also, see sections 1294(c) and 1294(f) and the related regulations for events that terminate this election.
- E** **Election To Recognize Gain on Deemed Sale of PFIC.** I, a shareholder of a former PFIC or a PFIC to which section 1297(d) applies, elect to treat as an excess distribution the gain recognized on the deemed sale of my interest in the PFIC, or, if I qualify, my share of the PFIC's post-1986 earnings and profits deemed distributed, on the last day of its last tax year as a PFIC under section 1297(a). Enter gain on line 10f of Part IV.
- F** **Election To Mark-to-Market PFIC Stock.** I, a shareholder of a PFIC, elect to mark-to-market the PFIC stock that is marketable within the meaning of section 1296(e). Complete Part III.
- G** **Deemed Dividend Election With Respect to a Section 1297(e) PFIC.** I, a shareholder of a section 1297(e) PFIC, within the meaning of Regulations section 1.1291-9(j)(2)(v), elect to make a deemed dividend election with respect to the Section 1297(e) PFIC. My holding period in the stock of the Section 1297(e) PFIC includes the CFC qualification date, as defined in Regulations section 1.1297-3(d).
- H** **Deemed Dividend Election With Respect to a Former PFIC.** I, a shareholder of a former PFIC, within the meaning of Regulations section 1.1291-9(j)(2)(iv), elect to make a deemed dividend election with respect to the former PFIC. My holding period in the stock of the former PFIC includes the termination date, as defined in Regulations section 1.1298-3(d).

Part II Income From a Qualified Electing Fund (QEF). All QEF shareholders complete lines 1a through 2c. If you are making Election D, also complete lines 3a through 4c. (See instructions.)

1a Enter your pro rata share of the ordinary earnings of the QEF	1a		
b Enter the portion of line 1a that is included in income under section 951 or that may be excluded under section 1293(g)	1b		
c Subtract line 1b from line 1a. Enter this amount on your tax return as ordinary income		1c	
2a Enter your pro rata share of the total net capital gain of the QEF	2a		
b Enter the portion of line 2a that is included in income under section 951 or that may be excluded under section 1293(g)	2b		
c Subtract line 2b from line 2a. This amount is a net long-term capital gain. Enter this amount in Part II of the Schedule D used for your income tax return. (See instructions.)		2c	
3a Add lines 1c and 2c		3a	
b Enter the total amount of cash and the fair market value of other property distributed or deemed distributed to you during the tax year of the QEF. (See instructions.)	3b		
c Enter the portion of line 3a not already included in line 3b that is attributable to shares in the QEF that you disposed of, pledged, or otherwise transferred during the tax year	3c		
d Add lines 3b and 3c		3d	
e Subtract line 3d from line 3a, and enter the difference (if zero or less, enter amount in brackets)		3e	
Important: If line 3e is greater than zero, and no portion of line 1a or 2a is includible in income under section 951, you may make Election D with respect to the amount on line 3e.			
4a Enter the total tax for the tax year (See instructions.)	4a		
b Enter the total tax for the tax year determined without regard to the amount entered on line 3e	4b		
c Subtract line 4b from line 4a. This is the deferred tax, the time for payment of which is extended by making Election D. See instructions		4c	

Part III Gain or (Loss) From Mark-to-Market Election (See instructions.)

5a	Enter the fair market value of your PFIC stock at the end of the tax year	5a	
b	Enter your adjusted basis in the stock at the end of the tax year	5b	
c	Subtract line 5b from line 5a. If a gain, do not complete lines 6 and 7. Include this amount as ordinary income on your tax return. If a loss, go to line 6	5c	
6	Enter any unreversed inclusions (as defined in section 1296(d))	6	
7	Enter the loss from line 5c, but only to the extent of unreversed inclusions on line 6. Include this amount as an ordinary loss on your tax return	7	
8	If you sold or otherwise disposed of any section 1296 stock (see instructions) during the tax year:		
a	Enter the fair market value of the stock on the date of sale or disposition	8a	
b	Enter the adjusted basis of the stock on the date of sale or disposition	8b	
c	Subtract line 8b from line 8a. If a gain, do not complete line 9. Include this amount as ordinary income on your tax return. If a loss, go to line 9	8c	
9a	Enter any unreversed inclusions (as defined in section 1296(d))	9a	
b	Enter the loss from line 8c, but only to the extent of unreversed inclusions on line 9a. Include this amount as an ordinary loss on your tax return. If the loss on line 8c exceeds unreversed inclusions on line 9a, complete line 9c	9b	
c	Enter the amount by which the loss on line 8c exceeds unreversed inclusions on line 9a. Include this amount on your tax return according to the rules generally applicable for losses provided elsewhere in the Code and regulations	9c	
Note. See instructions in case of multiple dispositions.			

Part IV Distributions From and Dispositions of Stock of a Section 1291 Fund (See instructions.)
 Complete a *separate Part IV* for each excess distribution (see instructions).

10a	Enter your total distributions from the section 1291 fund during the current tax year with respect to the applicable stock. If the holding period of the stock began in the current tax year, see instructions	10a	
b	Enter the total distributions (reduced by the portions of such distributions that were excess distributions but not included in income under section 1291(a)(1)(B)) made by the fund with respect to the applicable stock for each of the 3 years preceding the current tax year (or if shorter, the portion of the shareholder's holding period before the current tax year)	10b	
c	Divide line 10b by 3. (See instructions if the number of preceding tax years is less than 3.)	10c	
d	Multiply line 10c by 125% (1.25)	10d	
e	Subtract line 10d from line 10a. This amount, if more than zero, is the excess distribution with respect to the applicable stock. If zero or less and you did not dispose of stock during the tax year, do not complete the rest of Part IV. See instructions if you received more than one distribution during the current tax year. Also, see instructions for rules for reporting a nonexcess distribution on your income tax return	10e	
f	Enter gain or loss from the disposition of stock of a section 1291 fund or former section 1291 fund. If a gain, complete line 11. If a loss, show it in brackets and do not complete line 11.	10f	
11a	Attach a statement for each distribution and disposition. Show your holding period for each share of stock or block of shares held. Allocate the excess distribution to each day in your holding period. Add all amounts that are allocated to days in each tax year.		
b	Enter the total of the amounts determined in line 11a that are allocable to the current tax year and tax years before the foreign corporation became a PFIC (pre-PFIC tax years). Enter these amounts on your income tax return as other income	11b	
c	Enter the aggregate increases in tax (before credits) for each tax year in your holding period (other than the current tax year and pre-PFIC years). (See instructions.)	11c	
d	Foreign tax credit. (See instructions.)	11d	
e	Subtract line 11d from line 11c. Enter this amount on your income tax return as "additional tax." (See instructions.)	11e	
f	Determine interest on each net increase in tax determined on line 11e using the rates and methods of section 6621. Enter the aggregate amount of interest here. (See instructions.)	11f	

Part V Status of Prior Year Section 1294 Elections and Termination of Section 1294 Elections

Complete a separate column for each outstanding election. Complete lines 9 and 10 only if there is a partial termination of the section 1294 election.

	(i)	(ii)	(iii)	(iv)	(v)	(vi)
1 Tax year of outstanding election						
2 Undistributed earnings to which the election relates						
3 Deferred tax						
4 Interest accrued on deferred tax (line 3) as of the filing date						
5 Event terminating election						
6 Earnings distributed or deemed distributed during the tax year						
7 Deferred tax due with this return						
8 Accrued interest due with this return						
9 Deferred tax outstanding after partial termination of election						
10 Interest accrued after partial termination of election						

ATTACHMENT TO FORM 8621

Name of passive foreign investment company (PFIC) or qualified election fund (QEF):

GOLD RESERVE INC.

Address:

926 W. Sprague, Suite 200
Spokane, WA 99201

Taxpayer Name:

Taxpayer ID Number: _____

	<u>Class A</u>	<u>Class B</u>
Number of shares owned of each class – beginning of year		
Shares acquired during the year: (include amount and date of each transaction)		

Shares disposed of during the year
(include amount and date of each transaction)

Number of shares owned of each class – end of year: _____