



NR 14-01

NOT FOR RELEASE IN THE UNITED STATES

GOLD RESERVE PLANS TO ISSUE UP TO US \$12 MILLION OF NEW CONVERTIBLE NOTES AND EXTEND MATURITY DATE OF US \$25.3 MILLION OF EXISTING NOTES

SPOKANE, WASHINGTON, April 29, 2014

Gold Reserve Inc. (TSX.V:GRZ) (OTCQB:GDRZF) (“Gold Reserve” or the “Company”) is pleased to announce an agreement in principle with its largest noteholders to issue up to US \$12 million of new convertible notes (“New Notes”) due December 31, 2015 and modify, amend and extend the maturity date of nearly all of its US\$25.3 million outstanding principal amount of previously modified notes (“Modified Notes”) from June 29, 2014 to December 31, 2015. The terms are binding subject to TSX Venture Exchange approval and definitive documents. The Company will issue the New Notes with an original issue discount of 2.5% of the principal amount and will pay a cash extension fee of 2.5% of the principal amount of the Modified Notes being extended.

The New Notes and the Modified Notes (as amended from the date of closing) (collectively the "Notes") will bear interest at a rate of 11% per year, which will be paid in kind quarterly and added to the principal amount of the Notes. The Notes will be convertible, at the option of the holder, into 266.67 shares of Class A common shares per US \$1,000 (equivalent to a conversion price of US \$3.75 per common share) at any time upon prior written notice to the Company. The Modified Notes previously had an interest rate of 5.5% and a conversion price of US \$4.00 per common share.

The Notes will be senior unsecured obligations of the Company, equal in rank to any future senior obligations of the Company and subject to certain terms including restrictions regarding: the pledging of assets and incurrence of certain capital expenditures or additional indebtedness without consent of Noteholders; participation rights in future equity or debt financing; redemption at a price equal to 120% of the outstanding principal balance plus accrued interest upon the issuance of a final arbitration award pursuant to the Company’s arbitration proceedings with the Government of Venezuela related to Venezuela's expropriation of the Company’s Brisas Project, provided the Company shall not be obligated to effect any redemption until certain amounts of cash proceeds are received and subject to minimum capital and operating needs of the Company; and restrictions on any amendment or modification to any

terms of the Notes without offering such terms to all holders of the Notes on an equitable and pro-rata basis. The transaction is expected to be completed in May 2014.

Doug Belanger, President stated, "We appreciate the continued support of our shareholders and noteholders during the arbitration process. Extending the maturity of the notes and raising additional funds will allow the Company to pursue the arbitration process through to its full conclusion."

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements that state Gold Reserve's or its management's intentions, hopes, beliefs, expectations or predictions for the future including without limitation statements with respect to the proposed issuance of the New Notes and modification of the Modified Notes and the arbitration proceedings. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause the actual outcomes, financial results, performance, or achievements of Gold Reserve to be materially different from our estimated outcomes, future results, performance, or achievements expressed or implied by those forward-looking statements.

Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation, the risk that the Company may not receive necessary regulatory approvals for the issuance of the New Notes or modification of the Modified Notes and the risk that the Company and the current holders of the Modified Notes may not be able to reach agreement on definitive documentation for the issuance of the New Notes or modification of the Modified Notes.

This list is not exhaustive of the factors that may affect any of Gold Reserve's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to Gold Reserve or persons acting on its behalf are expressly qualified in their entirety by this notice. Gold Reserve disclaims 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 its disclosure obligations under applicable rules promulgated by the SEC.

In addition to being subject to a number of assumptions, forward-looking statements in this release involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to be materially different from those expressed or implied by such forward-looking statements, including those factors outlined in the "Cautionary Statement Regarding Forward-Looking Statements" and "Risks Factors" contained in Gold Reserve's filings with the Canadian provincial securities regulatory authorities and the SEC, including Gold Reserve's Annual Information Form and Annual Report on Form 40-F for the year ended December 31, 2013, filed with the Canadian provincial securities regulatory authorities and the SEC, respectively.

Further information regarding the Company can be located at www.goldreserveinc.com, www.sec.gov and www.sedar.com.

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