



Gold Reserve Inc.

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Gold Reserve Inc. Announces CDN\$20.0 Million Bought Deal

TORONTO, ONTARIO October 18, 2004

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Gold Reserve Inc. (“Gold Reserve” or the “Company”) (TSX:GRZ) announced today that it has entered into an agreement with a syndicate of underwriters led by Orion Securities Inc. and Sprott Securities Inc. and including GMP Securities Ltd. under which the underwriters have agreed to buy on a bought deal basis 3,575,000 Units from Gold Reserve and sell to investors at a price of CDN\$5.60 per Unit, representing aggregate proceeds of CDN\$20,020,000. Each Unit is comprised of one Common Share and one-half of a Common Share Purchase Warrant of Gold Reserve. Each whole Common Share Purchase Warrant will entitle the holder thereof to acquire one Common Share of Gold Reserve at a price of CDN\$6.50 per Common Share for a period of 24 months following the closing date of this offering.

In addition, the Company will grant the Underwriters an option, exercisable until 24 hours prior to the Closing Date of the Offering, to purchase up to an additional 1,786,000 Units of the Offering at the issue price.

The net proceeds from the offering will be used for the development of the Brisas property in Bolivar State, Venezuela and for general working capital. The offering is scheduled to close on or about November 4, 2004 and is subject to certain conditions.

The transaction is subject to the receipt of all necessary regulatory and stock exchange approvals.

The securities being offered have not been, nor will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

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Gold Reserve Inc. is a Canadian company currently completing the feasibility study on the Brisas gold/copper project in Southeastern Venezuela.

Information regarding Gold Reserve Inc. is located at www.goldreserveinc.com

FOR FURTHER INFORMATION:

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