



# Gold Reserve Inc.

NR-04-11

## Gold Reserve Inc. Announces Exercise of Underwriter's Option

TORONTO, ONTARIO November 2, 2004

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**Gold Reserve Inc. ("Gold Reserve" or the "Company") (TSX:GRZ)** announced today that a syndicate of underwriters led by Orion Securities Inc. and Sprott Securities Inc. and including GMP Securities Ltd. has exercised their option to purchase an additional 1,786,000 Units of the Company in relation to the Offering previously announced on October 18, 2004.

With the exercise of the option, the Underwriters will purchase a total of 5,361,000 Units representing aggregate gross proceeds to the Company of CDN \$30,021,600.

Pursuant to the October 18, 2004 announcement, the Underwriters had agreed to buy on a bought deal basis 3,575,000 Units from the Company 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 the Offering.

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. 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 developing the Brisas gold copper project in Southeastern Venezuela.

**FOR FURTHER INFORMATION:**

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