

GOLD RESERVE INC
Form SC TO-I/A
June 11, 2012

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE TO
(Rule 13e-4)
(Amendment No. 2)**

**TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934**

GOLD RESERVE INC.
(Name of Subject Company (Issuer))

GOLD RESERVE INC.
(Name of Filing Persons (Offeror))

5.50% Senior Subordinated Convertible Notes due 2022
(Title of Class of Securities)

38068N AB4
(CUSIP Number of Class of Securities)

**Rockne J. Timm
Chief Executive Officer
Gold Reserve Inc.
926 West Sprague Ave., Suite 200
Spokane, Washington 99201
(509) 623-1500**

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications on Behalf of Filing Persons)

Copy to:

**Albert G. McGrath, Jr.
Baker & McKenzie LLP
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, TX 75201**

**Tel. (214) 978-3000
Fax. (214) 978-3099**

CALCULATION OF FILING FEE

Transaction Valuation*
\$102,347,000.00

Amount of Filing Fee**
\$11,728.97

* Calculated solely for purposes of determining the filing fee. The repurchase price of the 5.50% Senior Subordinated Convertible Notes due 2022, is \$1,000 per \$1,000 principal amount outstanding.

** The amount of the filing fee was calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, and equals \$114.60 for each \$1,000,000 of the value of the transaction.

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

Amount Previously Paid:
Form or Registration No.:

Not applicable.
Not applicable.

Filing Party:
Date Filed:

Not applicable.
Not applicable.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which this statement relates:

third-party tender offer subject to Rule 14d-1
 issuer tender offer subject to Rule 13e-4

going-private transaction subject to Rule 13e-3
 amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer.

INTRODUCTORY STATEMENT

This Amendment No. 2 to the Schedule TO amends and supplements the Schedule TO originally filed by Gold Reserve Inc., a company incorporated under the laws of Yukon, Canada (“GR” or the “Company” or “We”) with the U.S. Securities and Exchange Commission (“SEC”) on May 17, 2012, relating to the Notice of Right of Repurchase given to each holder (“Holder”) of the Company’s 5.50% Senior Subordinated Convertible Notes due 2022 issued by the Company on May 18, 2007 (the “Notes”) and Amendment No. 1 filed by the Company with the SEC on June 1, 2012. This Amendment No. 2 is filed to withdraw the Alternative Election and Alternative Transaction (each as defined in Amendment No. 1) at this time. The Put Option (defined below) continues to be available upon the terms initially described in the Schedule TO filed on May 17, 2012. The Company intends to offer the Alternative Transaction as soon as reasonably practicable but no sooner than 10 business days after the expiration of the Put Option, subject to applicable legal requirements and compliance with the terms of the Indenture described below.

As required by the Indenture (the “Indenture”), dated May 18, 2007, by and among the Company and The Bank of New York Mellon, as successor in interest to The Bank of New York, as Trustee (“Trustee”) and the Co-Trustee named therein, the Tender Offer Statement on Schedule TO (“Schedule TO”) was filed by GR and relates to the right of each Holder, to sell (the “Put Option”), and the obligation of GR to purchase the Notes, upon the terms and subject to the conditions set forth in the Indenture, the Notes and the Company Repurchase Notice to Holders of its Notes, dated May 16, 2012 (the “Company Repurchase Notice”). The Company Repurchase Notice is amended pursuant to this Amendment No. 2 and will be referred to as the “Amended Notice”.

The Put Option will expire at 5:00 p.m., New York City time, on June 15, 2012. This Schedule TO is intended to satisfy the disclosure requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

The Company has agreed with Holders of approximately 87.8% of the outstanding Notes (the “Large Noteholders”) to the terms of a proposed restructuring (the “Proposed Restructuring”) of the Notes announced on May 17, 2012. The Company and the Large Noteholders agreed that, among other things, the Holders of the remaining 12.2% of the Notes Holders (the “Other Holders”) would have the opportunity to participate in the Proposed Restructuring. However, the Company is filing this Amendment No. 2 to withdraw from the Other Noteholders the opportunity to participate in the Proposed Restructuring at this time. The Company intends to offer to the Other Noteholders an opportunity to participate in the Proposed Restructuring as soon as reasonably practicable but no sooner than 10 business days after the expiration of the Put Option, subject to applicable legal requirements and compliance with the terms of the Indenture.

Following the expiration of the Put Option and any subsequent offer to the Other Noteholders of an opportunity to participate in the Alternative Transaction, the Company intends to redeem all Notes that have not been repurchased pursuant to the Put Option or restructured pursuant to the Proposed Restructuring as soon as reasonably practicable, subject to applicable legal requirements and compliance with the terms of Indenture.

All information in the Amended Notice, including all schedules and annexes thereto, which were previously filed with the Schedule TO, is hereby expressly incorporated by reference in this Amendment No. 2 in response to all items required in the Schedule TO, except that such information is hereby amended and restated to the extent specifically provided for herein. All capitalized terms used in this Amendment No. 2 and not otherwise defined have the respective meanings ascribed to them in the Amended Notice, as amended or supplemented.

Item 1. Summary Term Sheet.

The information set forth under caption entitled “Summary” in the Amended Notice is incorporated herein by reference.

Item 2. Subject Company Information.

(a) The name of the issuer is Gold Reserve Inc., and the address of its principal executive office is 926 West Sprague Avenue, Suite 200, Spokane, Washington 99201, USA. The telephone number of its principal executive office is 509-623-1500.

(b) The subject securities with respect to the Put Option are the Notes. The subject securities with respect to the Alternative Transaction are the Notes, the Modified Notes (described in the Amended Notice), the shares of the Company’s common stock (“Common Stock” or “Common Shares”) and contingent value rights (described in the Amended Notice). As of the date hereof, there are \$102,347,000.00 aggregate principal amount of the Notes outstanding. The Modified Notes, Common Shares and contingent value rights are not being offered pursuant to the Put Option.

(c) The Notes are not listed on any national or regional securities exchange or quoted on any automated quotation system. Market quotations for the Notes are available. To the Company’s knowledge, the Notes are traded infrequently in transactions arranged through brokers. The Common Stock into which the Notes are convertible trades on the New York Stock Exchange Market under the symbol “GRZ”. The information set forth under “Market for the Notes and Common Stock” in the Amended Notice is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) The principal executive office of the filing person, Gold Reserve Inc., is located at 926 West Sprague Avenue, Suite 200, Spokane, Washington 99201, USA. The telephone number of its principal executive office is 509-623-1500.

The persons listed on Annex A are directors and executive officers of the Company. No single person or group of persons controls the Company

The business address of each director and executive officer of the Company listed above is: c/o Gold Reserve Inc., 926 West Sprague Avenue, Suite 200, Spokane, Washington 99201, USA, and such person's telephone number c/o the Company is 509-623-1500.

Item 4. Terms of the Transaction.

(a) Material Terms

(1) Offer

(i)-(ii) The information set forth in the Amended Notice under the captions entitled "Summary", "Information Concerning Gold Reserve" and "Information Concerning the Outstanding Notes" is incorporated herein by reference.

(iii) The information set forth in the Amended Notice under the captions entitled "Summary" and "Procedures to be Followed by Holders Electing to Surrender Notes for Repurchase Pursuant to Put Option" is incorporated herein by reference.

(iv) Not applicable.

(v) Not applicable.

(vi) The information set forth in the Amended Notice under the captions entitled “Summary” and “Procedures to be Followed by Holders Electing to Surrender Notes for Repurchase Pursuant to Put Option” is incorporated herein by reference.

(vii) The information set forth in the Amended Notice under the captions entitled “Summary” and “Procedures to be Followed by Holders Electing to Surrender Notes for Repurchase Pursuant to Put Option” is incorporated herein by reference.

(viii) The information set forth in the Amended Notice under the captions entitled “Summary” and “Procedures to be Followed by Holders Electing to Surrender Notes for Repurchase Pursuant to Put Option” is incorporated herein by reference.

(ix) Not applicable.

(x) The information set forth in the Amended Notice under the caption entitled “Information Concerning Gold Reserve” is incorporated herein by reference.

(xi) Not applicable.

(xii) The information set forth in the Amended Notice under the captions entitled “Certain Material U.S. Federal Income Tax Considerations” and “Certain Material Canadian Federal Income Tax Considerations” is incorporated herein by reference.

Instruction to Item 1004(a)

Not applicable..

(i)-(vii) Not applicable.

(b) The information set forth in the Amended Notice under the caption entitled “Summary” is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(a)-(e) Agreements Involving the Company’s Securities.

The Company has entered into the Restructuring Agreement and ancillary agreements, including waivers of change of control agreements with its directors and certain officers, as in connection with the Notes described under the caption entitled “Alternative Transaction.”

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) The information set forth in the Amended Notice under the captions entitled “Summary” and “Alternative Transaction” is incorporated herein by reference.

(b) The information set forth in the Amended Notice under the caption entitled “Use of Proceeds” is incorporated herein by reference.

(c)(9) The information set forth in the Amended Notice under the captions entitled “Summary” and “Alternative Transaction” is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a) The information set forth in the Amended Notice under the captions entitled “Summary”, “Information Concerning the Outstanding Notes” and “Alternative Transaction” is incorporated herein by reference.

(b) The information set forth in the Amended Notice under the captions “Summary” and “Alternative Transaction” is incorporated herein by reference.

(d) Not applicable.

Item 8. Interest in Securities of the Subject Company.

(a) The information set forth in the Amended Notice under the caption “Alternative Transaction” is incorporated herein by reference.

(b) The information set forth in the Amended Notice under the caption “Purchase of Notes by GR” is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) For information regarding the paying agent, see the information set forth in Amended Notice, which is incorporated herein by reference. No persons have been directly or indirectly employed, retained or otherwise compensated to make solicitations or recommendations in connection with the Amended Notice, other than certain employees of the Company, none of whom will receive any special or additional compensation in connection with the Amended Notice beyond their normal compensation.

Item 10. Financial Statements.

(a) The information set forth in the Amended Notice under the captions “Capitalization”, “Market Prices for the Notes and the Common Stock”, “Ratios of Earnings” and “Financial Statements” are incorporated herein by reference. The information set forth under Item 8, Financial Statements and Supplementary Data, in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2011 is incorporated herein by reference and can also be accessed electronically on the Securities and Exchange Commission’s website at <http://www.sec.gov> and on SEDAR at www.sedar.com.

(b) Not applicable.

Item 11. Additional Information.

(a) Not applicable.

(b) The information set forth in the Amended Notice and the accompanying Letter of Transmittal is incorporated herein by reference.

Item 12. Exhibits.

Exhibit No.	Description
(a)(1)(A)	Amended Company Repurchase Notice to Holders of its 5.50% Senior Subordinated Convertible Notes due 2022, dated June 11, 2012*
(a)(1)(B)	Form of Repurchase Notice
(a)(1)(C)	Form of Notice of Withdrawal (Put Option)
(a)(1)(D)	Substitute Form W-9 (Put Option)
(a)(1)(E)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 (Put Option)*
(a)(5)(A)	Press Release issued by GR on May 17, 2012
(a)(5)(B)	Press Release issued by GR on June 1, 2012
(a)(6)(A)	Press Release issued by GR on June 11, 2012*
(b)	Not applicable
(d)(1)	Indenture, dated May 18, 2007, by and among GR, and The Bank of New York Mellon, as successor in interest to The Bank of New York, as Trustee and the Co-Trustee named therein, incorporated by reference to Exhibit 7.1 to GR's Registration Statement on Form F-10 (File 333-142944) filed with the U.S. SEC on May 14, 2007
(d)(2)	Agreement and Plan of Merger, dated as of October 5, 1998, by and among Gold Reserve Corporation (predecessor issuer), Gold Reserve Inc. (successor issuer) and GR-Merger Corp filed as Annex I to the Proxy Statement/Joint Prospectus included as a part of the Company's Registration Statement on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27, 1998 and incorporated by reference herein
(d)(3)	Exchange Agreement by and among Gold Reserve Corporation, the Company, TranSecurities International, Inc. and Holders of Unit Shares, dated November 17, 1998 filed as Exhibit 4.1 to the Proxy Statement/Joint Prospectus included as a part of the Company's Registration Statement on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27, 1998 and incorporated by reference herein
(d)(4)	Restated Articles of Incorporation of the Company filed as Exhibit 3.1 to the Proxy Statement/Joint Prospectus included as a part of the Company's Registration Statement on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27, 1998 and incorporated by reference herein

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- (d)(5) Bylaws of the Company filed as Exhibit 3.2 to the Proxy Statement/Joint Prospectus included as a part of the Company's Registration Statement on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27, 1998 and incorporated by reference herein
- (d)(6) Form of Certificate for the Company's Class A common shares filed as Exhibit 4.4 to the Proxy Statement/Joint Prospectus included as a part of the Company's Registration Statement on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27, 1998 and incorporated by reference herein
- (d)(7) Form of Certificate for the Unit Share filed as Exhibit 4.5 to the Proxy Statement/Joint Prospectus included as a part of the Company's Registration Statement on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27, 1998 and incorporated by reference herein
- (d)(8) Shareholder Rights Plan Agreement, as amended, of the Company (including form of Rights Certificate) filed as Exhibit 99.1, Appendix C of the Company's Form 6-K filed with the SEC on May 14, 2009 and incorporated by reference herein
- (d)(9) Form of Change of Control Agreement entered into by and among Gold Reserve Inc., Gold Reserve Corporation and, individually, each of Rockne J. Timm and A. Douglas Belanger filed as Exhibit (e)(1) of the Company's Schedule 14D-9 filed with the SEC on December 30, 2008 and incorporated by reference herein
- (d)(10) Form of Change of Control Agreement entered into by and among Gold Reserve Inc., Gold Reserve Corporation and, individually, each of James P. Geyer, Robert A. McGuinness, Mary E. Smith, and David P. Onzay filed as Exhibit (e)(2) of the Company's Schedule 14D-9 filed with the SEC on December 30, 2008 and incorporated by reference herein†
- (d)(11) Gold Reserve Inc. Equity Incentive Plan filed as Exhibit 3.2 to the Company's Form 20-F (File No. 001-31819) filed with the SEC on April 3, 2006 and incorporated by reference herein†
- (d)(12) Gold Reserve Inc. Venezuelan Equity Incentive Plan filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 (Registration No. 333-152883) filed with the SEC on April 3, 2006 and incorporated by reference herein†
- (d)(13) Gold Reserve KSOP filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed with the SEC on August 29, 2007 and incorporated by reference herein†
- (d)(14) Gold Reserve Inc. Director and Employee Retention Plan filed as Exhibit (e)(6) of the Company's Schedule 14D-9 filed with the SEC on December 30, 2008 and incorporated by reference herein†
- (d)(15) Notice of Grant of Stock Options and Option Agreement filed as Exhibit 10.1 to the Company's Form 10-Q (File No. 001-31819) filed with the SEC on August 12, 2011 and incorporated by reference herein†
- (d)(16) Subordinated Note Restructuring Agreement dated May 25, 2012 filed as Exhibit 99.1 Company's Form 6-K (File No. 001-31819) filed with the SEC on May 30, 2012 and incorporated by reference herein
- (g) Not applicable
- (h) Not applicable

* Filed herewith

† Management contract or compensatory plan or arrangement

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

GOLD RESERVE INC.

By: /s/ Rockne J. Timm
Name: Rockne J. Timm
Title: Chief Executive Officer

Dated: June 11, 2012

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