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GOLD RESERVE INC

Form 6-K

November 29, 2006

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934

For the month of November 2006

Commission File Number: 001-31819

Gold Reserve Inc.

(Exact name of registrant as specified in its charter)

926 W. Sprague Avenue, Suite 200

Spokane, Washington 99201

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

Filed with this Form 6-K is the following, which is incorporated herein by reference:

99.1 NI 43-101 Technical Report, Brisas Project, Venezuela, Feasibility Update

Certain statements included herein, including those that express management's expectations or estimates of our future performance or concerning the Brisas Project, constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. 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 financial results, performance, or achievements of Gold Reserve Inc. to be materially different from our estimated 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, concentration of operations and assets in Venezuela; corruption and uncertain legal enforcement; requests for improper payments; regulatory, political and economic risks associated with Venezuelan operations (including changes in previously established legal regimes, rules or processes); the ability to

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obtain or maintain the necessary permits or additional funding for the development of the Brisas Project; in the event any key findings or assumptions previously determined by us or our experts in conjunction with our 2005 bankable feasibility study (as updated or modified from time to time) significantly differ or change as a result of actual results in our expected construction and production at the Brisas Project (including capital and operating cost estimates); risk that actual mineral reserves may vary considerably from estimates presently made; impact of currency, metal prices and metal production volatility; fluctuations in energy prices; changes in proposed development plans (including technology used); our dependence upon the abilities and continued participation of certain key employees; and risks normally incident to the operation and development of mining properties. This list is not exhaustive of the factors that may affect any of the Company'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 the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Gold Reserve Inc.  
(Registrant)

Date: November 29, 2006  
By: s/ Robert A. McGuinness  
Name: Robert A. McGuinness  
Title: Vice President - Finance & CFO

### EXHIBIT INDEX

99.1 NI 43-101 Technical Report, Brisas Project, Venezuela, Feasibility Update

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NI 43-101 Technical Report,  
Brisas Project, Venezuela,  
Feasibility Update

Prepared for  
Gold Reserve, Inc.

October 30, 2006  
34424

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Prepared by

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CONTENTS	Page
1.0 EXECUTIVE SUMMARY	1.1
1.1 Location	1.2
1.2 Ownership	1.2
1.3 Geology	1.3
1.4 Mineralization	1.3
1.5 Exploration	1.4
1.6 Resource Modeling and Estimation	1.5
1.7 Mine Design and Reserve Estimate	1.7
1.8 Development and Operations	1.9
1.8.1 Mine Plan and Operation	1.9
1.8.2 Plant Operation	1.9
1.8.3 Project Economics	1.10
1.9 Conclusions	1.12
1.9.1 Adequacy of Procedures	1.12
1.9.2 Adequacy of Data	1.12
1.9.3 Adequacy of Feasibility Study	1.12
1.9.4 Compliance with Canadian NI 43-101 Standards	1.12
1.10 Recommendations	1.13
2.0 INTRODUCTION AND TERMS OF REFERENCE	2.1
2.1 Qualified Persons and Participating Personnel	2.1
2.2 Terms and Definitions	2.1
2.3 Units	2.2
2.4 Source Documents	2.2
3.0 RELIANCE ON OTHER EXPERTS	3.1
4.0 PROPERTY DESCRIPTION AND LOCATION	4.1
4.1 Property Location	4.1
4.2 Description	4.1
4.3 Ownership	4.1
4.4 Royalties and Exploitation Taxes	4.5
4.5 Environmental Liabilities	4.6
4.6 Status of Required Permits	4.6
5.0 ACCESSIBILITY, CLIMATE, PHYSIOGRAPHY, AND INFRASTRUCTURE	5.1
5.1 Access	5.1
5.2 Climate	5.1
5.3 Physiography	5.1
5.4 Infrastructure	5.2
6.0 HISTORY	6.1
6.1 The Company	6.1
6.2 The Brisas Project	6.1
6.3 Sequence of Studies	6.2
7.0 GEOLOGIC SETTING	7.1
7.1 Project Geology	7.1
7.1.1 District Geology	7.1
7.1.2 Sequence of Units	7.2

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7.2	District Structure	7.2
7.2.1	Site Geology	7.4
7.3	Detailed Geology of the Brisas Project	7.5
7.3.1	Rock Units	7.5
7.3.2	Weathered Rock and Saprolite	7.5
7.3.3	Unweathered Rock	7.8
7.3.4	Stratigraphy	7.10
8.0	DEPOSIT TYPES	8.1
9.0	MINERALIZATION	9.1
9.1	Types	9.1
9.1.1	The Blue Whale Body	9.1
9.1.2	Disseminated Au+Pyrite +/-Cu	9.1
9.1.3	Disseminated High Cu/Low Au	9.2
9.1.4	Au-Bearing Shear Zones	9.2
9.1.5	Alteration	9.2
9.1.6	Trace Element Geochemistry	9.4
9.2	Geological Model	9.5
9.2.1	Genesis of Deposit	9.6
9.2.2	Later Remobilization	9.7
10.0	PROJECT EXPLORATION	10.1
10.1	Exploration Model	10.1
11.0	PROJECT DRILLING	11.1
11.1	Drill Hole Collar Surveys	11.3
11.2	Downhole Surveys	11.3
11.3	Core Logging	11.4
11.4	Twin Drilling Verification	11.4
11.5	Condemnation Drilling	11.5
12.0	SAMPLING METHODOLOGY	12.1
12.1	Drilling Sampling	12.1
12.2	Bulk Density Determination Sampling	12.1
13.0	SAMPLE PREPARATION, ANALYSIS, AND SECURITY	13.1
13.1	Drilling Sample Analysis	13.1
13.2	Drilling Sample Check Analysis	13.2
13.3	Density Analysis	13.5
14.0	DATA VERIFICATION	14.1
14.1	Data Verification and Validation	14.1
14.2	Twin Drilling Verification	14.2
15.0	ADJACENT PROPERTIES	15.1
16.0	METALLURGY AND MINERAL PROCESSING	16.1
16.1	Metallurgical Testwork	16.1
16.2	Plant Design	16.5
17.0	MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES	17.1
17.1	Coordinate System, Surveying, and Topography	17.1
17.2	Sample Database	17.1
17.3	Resource Model Setup	17.2
17.4	Mineralized Rock Model	17.3
17.5	Statistical Analysis and Variograms Grade Estimation and Validation	17.5
17.5.1	Gold Review	17.5
17.5.2	Copper Review	17.8
17.5.3	Summary	17.15
17.6	Grade Estimation and Validation	17.15

## Edgar Filing: GOLD RESERVE INC - Form 6-K

17.7	Resource Classification	17.19
17.8	Resource Statement	17.19
17.9	Reserve Estimation	17.20
17.9.1	Optimization Analysis	17.21
17.9.2	Mine Design	17.24
17.9.3	Cutoff Grade	17.28
17.10	Reserve Statement	17.29
17.11	Summary and Conclusions	17.30
17.11.1	Adequacy of Procedures	17.30
17.11.2	Adequacy of Data	17.30
17.11.3	Compliance with Canadian NI 43-101 Standards	17.31
17.11.4	Exploration Potential	17.31
18.0	OTHER RELEVANT DATA AND INFORMATION	18.1
19.0	INTERPRETATION AND CONCLUSIONS	19.1
19.1	Adequacy of Procedures	19.1
19.2	Adequacy of Data	19.1
19.3	Adequacy of Feasibility Study	19.1
19.4	Compliance with Canadian NI 43-101 Standards	19.1
20.0	RECOMMENDATIONS	20.1
21.0	REFERENCES	21.1
22.0	ADDITIONAL REQUIREMENTS FOR DEVELOPMENT PROPERTIES	22.1
22.1	Mining Operations	22.1
22.2	Recoverability	22.2
22.3	Markets and Contracts	22.4
22.4	Environmental Considerations	22.4
22.5	Taxes	22.5
22.5.1	Income Tax	22.5
22.5.2	Value Added Tax	22.6
22.5.3	Resource Taxes	22.6
22.5.4	Customs Duties	22.6
22.6	Capital and Operating Cost Estimates	22.7
22.6.1	Capital Cost Details	22.7
22.6.2	Operating Cost Summary	22.7
22.7	Economic Analysis	22.9
22.8	Base Case Evaluation	22.10
22.8.1	Major Assumptions	22.10
22.8.2	Sensitivity Analysis	22.11
23.0	ILLUSTRATIONS	23.1
24.0	CERTIFICATES OF QUALIFICATION	24.1
TABLES		
-----		
1-1	Drilling Summary	1.5
1-2	Mineral Resource Estimate	1.6
1-3	Reserve Estimate Based on Revenue Cutoffs of \$3.04 for Hard Rock & \$3.24 for Saprolite	1.8
1-4	Reserve Case and Base Case Economic Evaluation	1.10
1-5	Base Case Key Economic Assumptions and Results	1.11
4-1	Land Status Summary	4.2
11-1	Project Drilling Summary	11.1
11-2	Brisas Concession Drilling Summary	11.3
13-1	Check Assays for High Grade Gold Values	13.2
13-2	Bulk Densities and Moisture Contents by Rock Type	13.5
14-1	Twin Hole Data (Au and Cu Grade)	14.3
14-2	Twin Hole Data (Average Au and Cu Grade Maximums and Minimums)	14.3

## Edgar Filing: GOLD RESERVE INC - Form 6-K

16-1	Ore Processing, Ore Types and Grades	16.1
16-2	Ore Processing, Testwork Study	16.4
16-3	Average of the Results for the Locked Cycle Tests	16.4
16-4	Ore Processing, Principal Parameters	16.5
16-5	Ore Processing, Principal Equipment List	16.7
17-1	Drill Hole Database Summary	17.2
17-2	Rock Type and Density Model Codes	17.3
17-3	Block Model Geometry	17.4
17-4	Mineral Envelope Model Codes	17.4
17-5	Variogram Models	17.15
17-6	Capping Grades for 6M Downhole Composites	17.15
17-7	Gold Grade Estimation Parameters	17.16
17-8	Copper Estimation Parameters	17.16
17-9	Mineral Resource Estimate	17.20
17-10	Pit Optimization Parameters from April 2005	17.22
17-11	Metal Recoveries	17.23
17-12	Revenue per Tonne Cutoff Grade Calculation Parameters	17.28
17-13	Parameters for Revenue Model and Gold Equivalent Ratio	17.29
17-14	Reserve Estimate Based on a Revenue Cutoff of \$3.04/t Hard Rock and \$3.24/t Saprolite	17.30
22-1	Base Case Key Economic Assumptions and Results	22.8
22-2	Average Operating Cost	22.9
22-3	Reserve Case and Base Case Economic Evaluation	22.10
22-4	Economic Evaluation Base Case and Price Sensitivity	22.12

### FIGURES

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4-1	Project General Location Map	4.3
4-2	Concession Map	4.4
7-1	Geological Map of KM 88 District	7.3
7-2	Brisas Concession Geological Map	7.6
7-3	Typical Weathering Column	7.7
7-4	Ternary Diagram for Classification of Tuffaceous Units	7.9
7-5	Stratigraphic Column	7.11
9-1	E-W Section at 683000 N, Lithologic with Au and Cu Mineralized	9.3
11-1	Drill Hole Location	11.2
13-1	Gold Reserves Sample Preparation Flow Sheet	13.3
13-2	High Grade Au Original and Check Assay Comparison	13.4
14-1	Twin Core Hole Locations	14.4
14-2	Twin Core Holes Showing Gold Assays Section 682300 N	14.5
16-1	Simplified Overall Process Flow Diagram	16.8
17-1	Log-Probability Plot of Uncapped 6M Composite	17.6
17-2	Log-Probability of Uncapped Blue Whale Composites	17.7
17-3	Correlogram for Gold Zone 10 - Strike	17.9
17-4	Correlogram for Gold Zone - Dip	17.9
17-5	Correlogram for Gold Mineralized Envelope - Across Dip	17.10
17-6	Correlogram for Blue Whale	17.10
17-7	Log-Probability Plot of Uncapped 6m Composites for all Cu	17.11
17-8	Log-Probability Plot for Blue Whale of Uncapped 6m Composites for Cu	17.11
17-9	Correlogram for Copper Zone 20 - Strike	17.13
17-10	Correlogram for Copper Zone 20 - Dip	17.13
17-11	Correlogram for Copper Zone 20 - Perpendicular to Dip	17.14
17-12	Correlogram for Copper Zone 22	17.14
17-13	Composites and Blocks Au Distribution - Section 682400 N	17.17
17-14	Composites and Blocks Cu Distribution - Section 682700 N	17.18
17-15	Saprolite and Weathered Hard Rock Slope Sectors	17.25
17-16	Fresh Rock Slope Sectors	17.26
17-17	Overall Project Layout	17.27

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### 1.0 Executive SUMMARY

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The Brisas Project is a gold-copper deposit located in the Kilometer 88 mining district of Bolivar State in southeast Venezuela. Before its acquisition by Gold Reserve Inc. (GRI) in 1992, local owners and also illegal miners worked the property on a small scale. Shallow pitting and hydraulic methods were used to mine the upper saprolite zone, and coarse gold was recovered by gravity concentration. GRI has carried out a major exploration drilling program on the concession, resulting in the definition of a large, gold-copper deposit.

The operating plan proposes a large open pit mine containing proven and probable reserves of approximately 10.4 million ounces of gold and 1.3 billion pounds of copper in 484.6 million tonnes of ore grading 0.67 grams of gold per tonne and 0.13 percent copper, at a revenue cutoff grade of \$3.04 per tonne for hard rock and \$3.24 for saprolite. The revenue cutoffs were based on a gold price of \$400 per ounce and a copper price of \$1.15 per pound. The project anticipates utilizing conventional truck and shovel mining methods with the processing of ore at full production of 70,000 tonnes per day, yielding an average annual production of 456,000 ounces of gold and 60 million pounds of copper over an estimated mine life of approximately 18.5 years.

This Technical Report is based on the Brisas Project Feasibility Study dated January 2005, with the following Updates:

A new resource model was developed by Pincock, Allen & Holt (PAH) with the addition of 84 new drillholes in late 2004. The information is presented in the PAH report "Supplement to the January 2005 Brisas Feasibility Study", dated November 2005.

A new capital cost estimate with a minor modification to the process flowsheet was developed by SNC Lavalin to update the feasibility costs from 4th Quarter 2004 costs to 1st Quarter 2006 costs. The information is presented in the SNC report "Project Scope and Definition Document", dated April 2006.

A new mine design and production schedule based on new project costs was developed by Marston and Marston (Marston). The information is presented in the Marston report "Brisas Project Resource and Reserve Update," dated October 2006.

A new project economic model was developed by GRI and validated by PAH. This model uses updated capital and operating costs and was used for the economic information presented in this Technical Report.

This Technical Report assumes an economic base case utilizing a three-year rolling average price of \$470 per ounce gold, \$7.90 per ounce silver, and \$1.80 per pound copper. At such prices, cash operating costs (net of copper byproduct credits) are estimated at \$142 per ounce of gold and total costs per ounce, including operating costs and initial and sustaining capital would be \$253 per ounce of gold. Initial capital costs are currently estimated at \$638 million with another \$45 million in working capital. All amounts are in U.S. dollars.

### 1.1 Location

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The Brisas Project is located in the Kilometer 88 mining district of Bolivar State in southeast Venezuela at Latitude 6 degrees 10' North and Longitude 61 degrees 28' West. The property is approximately 3.5 kilometers west of the Kilometer 88 marker on Highway 10. Las Claritas is the closest town to the property.

The project site is located in the Guyana region, which covers approximately one-third of Venezuela's national territory. The main nearby large city is Puerto Ordaz, with approximately 700,000 inhabitants, situated on the Orinoco River near its confluence with the Caroni River. Puerto Ordaz has major port facilities accessible to ocean-going vessels from the Atlantic Ocean via the Orinoco, a distance of about 200 kilometers. There is regularly scheduled airline service to Puerto Ordaz from various cities within Venezuela.

Highway 10 provides paved access from Puerto Ordaz, which is 373 kilometers northwest of the property, to within 3.5 kilometers of the project site. Unpaved roads provide the remaining 3.5 kilometers of access. Upgrading the unpaved roads is part of the infrastructure improvements plan for the project area.

### 1.2 Ownership

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The main mineralized area at the Brisas Project is contained within the 500-hectare (1,235 acre) Brisas Del Cuyuni alluvial and hardrock Concession. The Concession measures 2,500 meters (1.5 miles) north-south and 2,000 meters (1.25 miles) east-west. GRI also controls several other concessions either adjacent to or near the Brisas Concession.

According to GRI, mineral ownership consists of Brisas alluvial production concession originally granted in 1988 and acquired by GRI in 1992 with the acquisition of Compania Aurifera Brisas del Cuyuni S.A. The hardrock production concession immediately below the alluvial concession was applied for by GRI in 1993 and was ordered to be issued by the Ministry of Energy and Mines (MEM) in December 1997. The concession was granted to GRI in early 1998 and the official record of "veta" (hard rock) rights was published in the "Gaceta Oficial De La Republica De Venezuela" on March 3, 1998. The combined alluvial concession and hardrock concession are referred to as the Brisas Concession.

Other applications for mineral rights have been submitted for small tracts of land immediately adjacent to the Brisas Concessions. These include the 15-hectare NLNAV1 to the north, the 21-hectare NLEAV1 to the east and the 32-hectare NLSAV1 to the south. GRI has received the contract for mineral rights on NLEAV1 and NLSAV1 and has applied for the rights to NLNAV1.

Additionally, in 1999, GRI acquired the 1,433-hectare (3,541 acres) El Pauji Concession and contracts with Corporation Venezolana de Guyana (CVG) for the 4,950-hectare (12,232 acres) Barbara property, the 847-hectare (2,162 acres) Zuleima property and the 1644-hectare (4,062 acres) Lucia property. Early in 2004 Gold Reserve obtained contracts for the 499-hectare (1,232 acres) Esperanza and the 50-hectare (123 acres) Yusmari properties. Barbara is located approximately 2.6 kilometers (1.6 miles) south of the Brisas Concession and will be the site for tailings and waste rock disposal facilities. Esperanza, El Pauji, and Zuleima are located west and south of the Brisas Concession and will be used for waste rock disposal. The Yusmari property is



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adjacent and located on the northeast corner of the Brisas Concession and is within the ultimate pit boundary. The Lucia property is located 7.8 kilometers southwest of the Brisas Concession and its use for the Project is yet to be determined.

In 2005, GRI was granted the rights to explore and develop a rock quarry in the 400-hectare Barbarita concession. This concession is located totally within the Barbara property in the northeast corner.

### 1.3 Geology

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The Brisas Project is within the Guayana Shield in northern South America. The shield covers easternmost Colombia, southeastern Venezuela, Guyana, Suriname, French Guiana and northeastern Brazil. The Venezuelan portion of the shield is subdivided into five geological provinces with different petrological, structural and metallogenic characteristics. The provinces are, from oldest to youngest, Imataca, Pastora, Cuchivero, Roraima, and Parguaza. Only the Imataca, Pastora and Roraima provinces are found in the vicinity of the Brisas deposit.

The Brisas Concession itself lies within a portion of the lower Caballape Formation volcanic and volcanic-related sedimentary rocks. The units present are (1) andesitic to rhyolitic tuffaceous volcanic beds, (2) related sedimentary beds, and (3) a tonalitic intrusive body. All rocks have been tilted and subjected to lower greenschist facies metamorphism. In the main mineralized trend, moderate to strong foliation is oriented N 10 E and dipping 30 to 55 degrees NW. This foliation appears to be parallel to the original bedding and tends to be strongest in the finer-grained rocks. A much weaker foliation orientation appears in outcrop exposures, striking NNW and dipping to the SW.

Dikes and quartz veins cut the lower Caballape Formation. The strata and intrusive rocks are cut by N30W striking mafic dikes emplaced at regular intervals (200-600 meters), some of which have displacement on the order of tens of meters. Quartz veins populate the concession and have been noted both in outcrop and in drill intersections. The most common are sets of thick, boudinaged, and en echelon vein structures that follow foliation/bedding orientation. They are thought to relate in part to movement of quartz during metamorphism. Other quartz veins exist in various orientations within the property.

### 1.4 Mineralization

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There are four distinct types of Au and Cu mineralization present in the concession, defined by geometry, associated minerals, and the Au/Cu ratio. These zones are the Blue Whale body, disseminated gold+pyrite+/-Cu, disseminated high Cu, and shear-hosted Au.

The Blue Whale mineralized body is a discrete, sharply bounded, flattened, cigar-shaped feature that trends more or less parallel to the local schistosity and plunges about 35 degrees SW along foliation. It is 20 meters in diameter at its widest point, and tapers off at depth. It is volumetrically a small fraction of the economically mineralized ground in the Brisas Project, but it possesses the highest Au and Cu grades.

The bulk of ore mineralization occurs in disseminated, coalescing, lensoid bodies high in Au and in most cases low in Cu. These bodies lie almost exclusively in the lapilli-rich, rapidly alternating

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sequence of tuffaceous units and are clearly aligned along foliation. Together, these lenses form a generally well defined mineralized band which mimics the dip of the foliation/bedding and remains open at depth. It remains at a similar thickness from the northern concession boundary for a distance of 1.4 kilometers south, after which it tapers rapidly. Alteration minerals characteristic of these lenses are epidote, chlorite, secondary biotite, and sericite.

The Au in the stratiform lenses is highly disseminated but only roughly associated with high occurrences of pyrite. Fine-scale sub-sampling of 3-meter assay intervals indicates good correlation between Au and small  
(