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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 2)\***

Gold Reserve Inc.  
(Name of Issuer)

Class A Common Stock  
(Title of Class of Securities)

38068N108  
(CUSIP Number)

May 1, 2008  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

T     Rule 13d-1(b)

T     Rule 13d-1(c)

£     Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1.	Names of Reporting Persons.	STEELHEAD PARTNERS, LLC
	I.R.S. Identification Nos. of above persons (entities only).	91-1740598
2.	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) £ (b) £
3.	SEC Use Only	
4.	Citizenship or Place of Organization	Delaware
	5. Sole Voting Power	6,150,261
	6. Shared Voting Power	0
	7. Sole Dispositive Power	6,150,261
	8. Shared Dispositive Power	0
9.	Aggregate Amount Beneficially Owned by Each Reporting Person	6,150,261
10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)	£
11.	Percent of Class Represented by Amount in Row (9)	11.1%
12.	Type of Reporting Person (See Instructions)	IA

1.	Names of Reporting Persons.	JAMES MICHAEL JOHNSTON
	I.R.S. Identification Nos. of above persons (entities only).	
2.	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) £ (b) £
3.	SEC Use Only	
4.	Citizenship or Place of Organization	United States
	5. Sole Voting Power	0
	6. Shared Voting Power	6,150,261
	7. Sole Dispositive Power	0
	8. Shared Dispositive Power	6,150,261
9.	Aggregate Amount Beneficially Owned by Each Reporting Person	6,150,261
10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)	£
11.	Percent of Class Represented by Amount in Row (9)	11.1%
12.	Type of Reporting Person (See Instructions)	IN/HC

1.	Names of Reporting Persons.		BRIAN KATZ KLEIN
	I.R.S. Identification Nos. of above persons (entities only).		
2.	Check the Appropriate Box if a Member of a Group (See Instructions)	(a)	£
		(b)	£
3.	SEC Use Only		
4.	Citizenship or Place of Organization		United States
	5.	Sole Voting Power	0
		6.	Shared Voting Power
			6,150,261
		7.	Sole Dispositive Power
			0
		8.	Shared Dispositive Power
			6,150,261
9.	Aggregate Amount Beneficially Owned by Each Reporting Person		6,150,261
10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)		£
11.	Percent of Class Represented by Amount in Row (9)		11.1%
12.	Type of Reporting Person (See Instructions)		IN/HC

1.	Names of Reporting Persons.		STEELHEAD NAVIGATOR FUND, L.P.
	I.R.S. Identification Nos. of above persons (entities only).		
2.	Check the Appropriate Box if a Member of a Group (See Instructions)	(a)	£
		(b)	£
3.	SEC Use Only		
4.	Citizenship or Place of Organization		Delaware
	5.	Sole Voting Power	3,404,126
		6.	Shared Voting Power
			0
		7.	Sole Dispositive Power
			3,404,126
		8.	Shared Dispositive Power
			0
9.	Aggregate Amount Beneficially Owned by Each Reporting Person		3,404,126
10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)		£
11.	Percent of Class Represented by Amount in Row (9)		6.2%
12.	Type of Reporting Person (See Instructions)		PN

1.	Names of Reporting Persons.		STEELHEAD OFFSHORE, LTD.
	I.R.S. Identification Nos. of above persons (entities only).		
2.	Check the Appropriate Box if a Member of a Group (See Instructions)	(a)	£
		(b)	£
3.	SEC Use Only		
4.	Citizenship or Place of Organization		Bermuda
	5.	Sole Voting Power	2,746,135
		6.	Shared Voting Power
			0
		7.	Sole Dispositive Power
			2,746,135
		8.	Shared Dispositive Power
			0
9.	Aggregate Amount Beneficially Owned by Each Reporting Person		2,746,135
10.	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)		£
11.	Percent of Class Represented by Amount in Row (9)		5.0%
12.	Type of Reporting Person (See Instructions)		OO

**Item 1(a). Name of Issuer:**

Gold Reserve Inc.

**Item 1(b). Address of Issuer's Principal Executive Office:**

926 West Sprague Avenue, Suite 200  
Spokane, WA 99201

**Item 2(a). Name of Person Filing:**

Steelhead Partners, LLC ("Steelhead")  
James Michael Johnston  
Brian Katz Klein  
Steelhead Navigator Fund, L.P. ("Navigator")  
Steelhead Offshore, Ltd. ("Offshore")

**Item 2(b). Address of Principal Business Office or, if none, Residence:**

The business address of each reporting person is 1301 First Avenue, Suite 201, Seattle, WA 98101.

**Item 2(c). Citizenship:**

Reference is made to Item 4 of pages 2, 3, 4, 5 and 6 of this Schedule 13G (this "Schedule"), which Items are incorporated by reference herein.

**Item 2(d). Title of Class of Securities:**

Class A Common Stock

**Item 2(e). CUSIP Number:**

38068N108

**Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

- £ (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- £ (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- £ (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- £ (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).

- T (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- £ (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- T (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- £ (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- £ (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- £ (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership:**

Reference is hereby made to Items 5-9 and 11 of pages 2, 3, 4, 5 and 6 of this Schedule, which Items are incorporated by reference herein.

Steelhead, as general partner of Navigator and investment manager of Offshore, and J. Michael Johnston and Brian K. Klein, as the member-managers of Steelhead, may be deemed to beneficially own the securities owned by Navigator and Offshore insofar as they may be deemed to have the power to direct the voting or disposition of such securities.

Neither the filing of this Schedule nor any of its contents shall be deemed to constitute an admission that any of Steelhead, Mr. Johnston or Mr. Klein is, for any purpose, the beneficial owner of any of the securities to which this Schedule relates (the "Securities"), and Steelhead, Mr. Johnston and Mr. Klein disclaim beneficial ownership as to the Securities, except to the extent of their respective pecuniary interests therein.

Under the definition of "beneficial ownership" in Rule 13d-3 under the Securities Exchange Act of 1934, it is also possible that the individual general partners, executive officers, and members of the foregoing entities might be deemed the "beneficial owners" of some or all of the Securities insofar as they may be deemed to share the power to direct the voting or disposition of such Securities. Neither the filing of this Schedule nor any of its contents shall be deemed to constitute an admission that any of such individuals is, for any purpose, the beneficial owner of any of the Securities, and such beneficial ownership is expressly disclaimed.

The calculation of percentage of beneficial ownership in item 11 of pages 2, 3, 4, 5 and 6 was derived from the Issuer's Form 40-F filed with the Securities and Exchange Commission on March 31, 2008, in which the Issuer stated that the number of shares of its Class A Common Shares outstanding as of March 28, 2008 was 55,230,253.



**Item 5. Ownership of Five Percent or Less of a Class:**

Not Applicable.

**Item 6. Ownership of More than Five Percent on Behalf of Another Person:**

Steelhead is filing this Schedule because, as investment manager for certain accounts in which the Securities are held, Steelhead has been granted the authority to dispose of and vote those Securities. Each entity that owns an account has the right to receive or the power to direct the receipt of, dividend from, or the proceeds from the sale of, the Securities held in the account.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company:**

Not Applicable.

**Item 8. Identification and Classification of Members of the Group:**

Not Applicable.

**Item 9. Notice of Dissolution of Group:**

Not Applicable.

**Item 10. Certification:**

By signing below the undersigned certify that, to the best of their knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable 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.

Dated: May 21, 2008

STEELHEAD PARTNERS, LLC

By: /s/ J. Michael Johnston  
James Michael Johnston  
Its Member-Manager

JAMES MICHAEL JOHNSTON

/s/ J. Michael Johnston  
James Michael Johnston

BRIAN KATZ KLEIN

/s/ Brian K. Klein  
Brian Katz Klein

By signing below the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: May 21, 2008

STEELHEAD NAVIGATOR FUND, L.P.

By: Steelhead Partners, LLC, its General Partner

By: /s/ J. Michael Johnston  
James Michael Johnston  
Its Member-Manager

STEELHEAD OFFSHORE, LTD.

By: Steelhead Partners, LLC, its Investment Manager

By: /s/ J. Michael Johnston  
James Michael Johnston  
Its Member-Manager

**EXHIBITS LIST**

Exhibit A

Joint Filing Undertaking

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**EXHIBIT A**

**JOINT FILING UNDERTAKING**

The undersigned, being authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13G to evidence the agreement of the below-named parties, in accordance with rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule, as it may be amended, jointly on behalf of each of such parties.

Dated: May 21, 2008

STEELHEAD PARTNERS, LLC

By: /s/ J. Michael Johnston  
James Michael Johnston  
Its Member-Manager

STEELHEAD NAVIGATOR FUND, L.P.  
By: Steelhead Partners, LLC, its General Partner

By: /s/ J. Michael Johnston  
James Michael Johnston  
Its Member-Manager

STEELHEAD OFFSHORE, LTD.  
By: Steelhead Partners, LLC, its Investment Manager

By: /s/ J. Michael Johnston  
James Michael Johnston  
Its Member-Manager

JAMES MICHAEL JOHNSTON

/s/ J. Michael Johnston  
James Michael Johnston

BRIAN KATZ KLEIN

/s/ Brian K. Klein  
Brian Katz Klein

