ACCELR8 TECHNOLOGY CORP
Form PRE 14A
April 30, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

þ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
¨ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material under Rule 14a-12

Accelr8 Technology Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
¨ Fee computed below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1) Title of each class of securities to which transaction applies:
2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

_____

2) Form, Schedule or Registration Statement No.:

_____

3) Filing Party:

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4) Date Filed:

_____

ACCELR8 TECHNOLOGY CORPORATION

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 26, 2012

Notice is hereby given that a special meeting of the shareholders of Accelr8 Technology Corporation, a Colorado corporation (the "Company"), will be held at 2:30 p.m., local time, on Tuesday, June 26, 2012, at The Warwick Hotel, 1776 Grant Street, Denver, Colorado 80203, and any adjournments or postponements thereof for the following purposes:

1. To adopt a Securities Purchase Agreement entered into by the Company on April 20, 2012, which provides for, among other things, the Company's issuance and sale of 14,000,000 shares of its common stock, no par value per share ("Common Stock"), to a new investor for an aggregate cash purchase price of $14,420,000 (i.e., $1.03 per share), as well as warrants to purchase up to 14,000,000 additional shares of Common Stock, and to approve the transactions contemplated by the Securities Purchase Agreement, including (without limitation) the grant of an option to Lawrence Mehren to purchase up to 2,200,000 shares of Common Stock.
2. To approve an amendment to the Company's Articles of Incorporation, as amended, to (i) increase the number of authorized shares of Common Stock by 26,000,000 shares, to a total of 45,000,000 shares, and (ii) permit the Company's shareholders to take action by less than unanimous written consent in the manner contemplated by Colorado law.
3. To approve an amendment to the Company's 2004 Omnibus Stock Option Plan to increase the number of shares of Common Stock available for issuance thereunder by 5,000,000 shares.
4. To transact such other business that may properly come before the special meeting and any adjournments thereof.

Only holders of record of our Common Stock at the close of business on May 9, 2012 are entitled to notice of and to vote at the meeting or any adjournment thereof. Your vote is important. All shareholders are urged to review the materials attached to this Notice of Special Meeting of Shareholders carefully and to use this opportunity to take part in the Company's affairs.

By Order of the Board of Directors,

/s/ Thomas V. Geimer

Thomas V. Geimer
Chairman of the Board

May , 2012

Denver, Colorado

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the Securities Purchase Agreement, passed upon the merits or fairness of the Securities Purchase Agreement or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

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ACCELR8 TECHNOLOGY CORPORATION

7000 North Broadway, Building 3-307

Denver, Colorado 80221

PROXY STATEMENT

Dated May , 2012

SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 26, 2012

This Proxy Statement relates to a special meeting of shareholders (the "Special Meeting") of Accelr8 Technology Corporation ("Accelr8" or the "Company"). The Special Meeting will be held on Tuesday, June 26, 2012, at 2:30 p.m., local time, at The Warwick Hotel, 1776 Grant Street, Denver, Colorado 80203, or at such other time and place to which the Special Meeting may be adjourned or postponed. **The enclosed proxy is solicited by our Board of Directors (the "Board").** The proxy materials relating to the Special Meeting are first being mailed to shareholders entitled to vote at the meeting on or about May , 2012.

ABOUT THE MEETING

What is the purpose of the Special Meeting?

At the Special Meeting, shareholders will act upon the matters outlined in the accompanying Notice of Special Meeting of Shareholders and this Proxy Statement, including:

1. the adoption of a Securities Purchase Agreement entered into by the Company on April 20, 2012 (the "Securities Purchase Agreement"), which provides for, among other things, the issuance and sale of 14,000,000 shares of Accelr8's common stock, no par value per share ("Common Stock"), to a new investor (the "Purchaser"), for an aggregate cash purchase price of $14,420,000 (i.e., $1.03 per share), as well as warrants to purchase up to 14,000,000 additional shares of Common Stock, and to approve the transactions contemplated by the Securities Purchase Agreement, including (without limitation) the proposed grant of a stock option to Lawrence Mehren to purchase up to 2,200,000 shares of Common Stock (the "Mehren Option Grant" and collectively, the "Investment Transaction");
2.

a proposed amendment to the Company's Articles of Incorporation, as amended, to (i) increase the number of authorized shares of Common Stock by 26,000,000 shares, to a total of 45,000,000 shares, and (ii) permit the Company's shareholders to take action by less than unanimous written consent in the manner contemplated by Colorado law (the "Charter Amendment"); and

3. a proposed amendment to the Company's 2004 Omnibus Stock Option Plan to increase the number of shares of Common Stock available for issuance thereunder by 5,000,000 shares (the "Stock Plan Amendment").

Because the Common Stock is listed on the NYSE Amex Stock Market, shareholder approval is required in connection with the (i) Investment Transaction (which, if consummated, would result in a change of control of the Company), and (ii) the Stock Plan Amendment, in each case pursuant to the NYSE Amex Company Guide. The NYSE Amex Stock Market shareholder approval requirements are described in more detail below. Shareholder approval of the Charter Amendment is required under Colorado law. **Pursuant to the Securities Purchase Agreement, shareholder approval of all matters described above (including the Charter Amendment and the Stock Plan Amendment) is also a condition precedent to the closing of the Investment Transaction.**

What will I be voting on?

You will be voting to (i) adopt the Securities Purchase Agreement, and to approve the transactions contemplated by the Securities Purchase Agreement (including, without limitation, the Investment Transaction and the Mehren Option Grant), (ii) approve the Charter Amendment, and (iii) approve the Stock Plan Amendment.

Why did Acceler8 enter into the Securities Purchase Agreement?

The Company entered into the Securities Purchase Agreement to gain access to significant amounts of investment capital, including the $14,420,000 cash purchase price payable to Accelr8 at the closing of the Investment Transaction and the $21,210,000 that could be payable to Accelr8 in the future if the Purchaser exercises the warrants described above (for a total potential investment of more than $35,000,000). Such investment capital would be used to accelerate and enhance the Company's research and development activities, to support product development and marketing initiatives, and for general working capital purposes.

In addition, the Company also believes that the participants in the Investment Transaction, including the principals of the Purchaser, would bring significant human capital and other value to Accelr8. The principals of the Purchaser include Jack Schuler, John Patience and Lawrence Mehren, among others. Each has decades of life sciences expertise in senior management positions. Mr. Schuler was formerly President of Abbott Laboratories, Mr. Patience led McKinsey & Company's global healthcare team, and Mr. Mehren was formerly Head of Global Business of Roche Tissue Diagnostics and CFO of Ventana Medical Systems.

Why is Acceler8 seeking shareholder approval in connection with the transactions contemplated by the Securities Purchase Agreement?

The closing of the Investment Transaction is subject to certain conditions, including approval by the Company's shareholders of the Charter Amendment and the Stock Plan Amendment. Under Section 7-110-103 of the Colorado Business Corporation Act, the Charter Amendment must be approved by holders of at least a majority of the shares present in person or by proxy at a meeting of the shareholders at which a quorum is present.

Our Common Stock is listed on the NYSE Amex Stock Market, and therefore Accelr8 is subject to various NYSE Amex Stock Market rules. Section 713(a) of the NYSE Amex Company Guide requires shareholder approval as a prerequisite to approval of applications to list additional shares that are issued in connection with a transaction involving the sale, issuance or potential issuance by an issuer of common stock (or securities convertible into common stock) representing 20% or more of such issuer's presently outstanding stock for less than the greater of book or market value of the stock. Section 713(b) of the NYSE Amex Company Guide also requires shareholder approval when the issuance or potential issuance of additional shares will result in a change of control of the issuer.

As of the date hereof, there are 11,103,367 shares of Common Stock issued and outstanding. Accordingly, if the Investment Transaction is completed, the Purchaser would hold approximately 55.8% of the issued and outstanding Common Stock immediately after the closing. Assuming the Purchaser's full exercise of the warrants to be issued in connection with the Investment Transaction (and no other issuances of Common Stock), the Purchaser would hold approximately 71.6% of the issued and outstanding Common Stock. Accordingly, the Investment Transaction is subject to shareholder approval pursuant to Section 713 of the NYSE Amex Company Guide.

Finally, Section 711 of the NYSE Amex Company Guide also provides that shareholder approval is required with respect to the establishment of (or material amendment to) a stock option or purchase plan or other equity compensation arrangement pursuant to which options or stock may be acquired by officers, directors, employees or consultants, regardless of whether or not such authorization is required by law or by the Company's charter. Accordingly, shareholder approval is required to approve the Stock Plan Amendment.

What happens if shareholders adopt the Securities Purchase Agreement and approve the Investment Transaction and the other proposals described in this Proxy Statement?

If shareholders vote to adopt the Securities Purchase Agreement and approve the Investment Transaction (including the Mehren Option Grant), and assuming the other conditions to the closing of the Investment Transaction (including, without limitation, shareholder approval of the Charter Amendment and the Stock Plan Amendment) are satisfied or waived in accordance with the terms of the Securities Purchase Agreement, among other things:

1. Acceler8 will issue and sell to the Purchaser 14,000,000 shares of Common Stock, and the Purchaser will pay to the Company an aggregate cash purchase price of $14,420,000 (i.e., $1.03 per share);
2. Accelr8 will also issue to the Purchaser warrants to purchase an aggregate of 14,000,000 additional shares of Common Stock, including a warrant to purchase 7,000,000 shares of Common Stock at an exercise price equal to $1.03 per share and a warrant to purchase 7,000,000 shares of Common Stock at an exercise price equal to $2.00 per share, both of which will be exercisable for a period of five years following the closing of the Investment Transaction;
3. Accelr8 will enter into a Registration Rights Agreement with the Purchaser, pursuant to which the Purchaser will be granted certain demand and piggy-back registration rights, including for shelf registrations, with respect to the resale of the securities to be issued in connection with the Investment Transaction;
4. Accelr8 will complete the Mehren Option Grant;
5. Charles E. Gerretson and John D. Kucera will resign from the Board, Thomas V. Geimer will resign as Chief Executive Officer and Chief Financial Officer of the Company (but remain a member of the Board), and David C. Howson will resign as President of the Company, in each case effective as of the closing of the Investment Transaction; and
6. Messrs. Schuler, Patience and Mehren will be appointed to the Board, and Mr. Mehren will be appointed as the Company's Chief Executive Officer, in each case effective immediately following the Closing of the Investment Transaction.

If the Investment Transaction is completed, the issuance of Common Stock described above will dilute the holdings of existing shareholders of the Company. After giving effect to the closing of the Investment Transaction (but without assuming the exercise of any of the warrants to be issued to the Purchaser), the Purchaser would hold approximately 55.8% of the issued and outstanding Common Stock, and existing shareholders would hold the remaining 44.2%. Accordingly, the Investment Transaction (if completed) will result in a change of control of Accelr8. Assuming the Purchaser's full exercise of the warrants to be issued in connection with the Investment Transaction (and no other issuances of Common Stock), the Purchaser would hold approximately 71.6% of the issued and outstanding Common Stock, and existing shareholders would hold the remaining 28.4%. The composition of the Board and senior management team will also be impacted, as described above.

What happens if shareholders do not approve all of the proposals described in this Proxy Statement?

If shareholders fail to approve any of the proposals described in this Proxy Statement, the Purchaser will be under no contractual obligation to complete the Investment Transaction. **In other words, if shareholders do not approve either the Charter Amendment or the Stock Plan Amendment, the Purchaser will not be obligated to close the Investment Transaction even if shareholders vote to adopt the Securities Purchase Agreement and approve the Investment Transaction itself.**

In that event, Accelr8 anticipates that the Purchaser would decline to invest in the Company, and none of the effects described in response to the preceding question would occur. Correspondingly, the Company would not receive the $14,420,000 aggregate cash purchase price payable at the closing of the Investment Transaction (nor the $21,210,000 potentially payable to the Company in the future assuming the full exercise of all warrants to be issued to the Purchaser in connection with the Investment Transaction). Accelr8's failure to gain access to significant investment capital, whether through the Investment Transaction described in this Proxy Statement or otherwise, may inhibit the Company's ability to execute its business plan by investing in research and development, and product development and market initiatives, and may jeopardize the Company's ability to continue operations in the future.

Who is entitled to attend and vote at the Special Meeting?

Only holders of record of Common Stock at the close of business on the record date, May 9, 2012, or their duly appointed proxies, are entitled to receive notice of the Special Meeting, attend the meeting and vote the shares that they held on the record date at the Special Meeting or any postponement or adjournment of the Special Meeting. At the close of business on May 9, 2012, there were 11,103,367 shares of Common Stock issued and outstanding, including 1,129,000 shares held in the Thomas V. Geimer Deferred Compensation Rabbi Trust that are entitled to vote at the Special Meeting. Each such share is entitled to one vote in connection with all proposals to be considered at the Special Meeting.

How do I vote?

You may vote on matters to come before the meeting in two ways: (i) you can attend the Special Meeting and cast your vote in person; or (ii) you can vote by completing, signing and dating the enclosed proxy card and returning it to the Company by the use of mail or facsimile. If you return the proxy card, you will authorize the individuals named on the proxy card, referred to as the proxy holders, to vote your shares according to your instructions or, if you provide no instructions, according to the recommendations of the Board. If your shares are held by your broker in "street name," you will receive a voting instruction form from your broker or the broker's agent asking you how your shares should be voted. It is imperative that you provide such instructions in a timely manner, or your shares will not be represented at the Special Meeting.

What if I vote and then change my mind?

You may revoke your proxy at any time before it is exercised by either (i) filing with the Company's Secretary a notice of revocation; (ii) sending in another duly executed proxy bearing a later date; or (iii) attending the meeting and casting your vote in person. Your last vote will be the vote that is counted.

How can I get more information about attending the Special Meeting and voting in person?

The Special Meeting will be held on Tuesday, June 26, 2012, at 2:30 p.m., local time, at The Warwick Hotel, 1776 Grant Street, Denver, Colorado 80203, or at such other time and place to which the Special Meeting may be adjourned or postponed. For additional details about the Special Meeting, including directions to the site of the Special Meeting and information about how you may vote in person if you so desire, please call Thomas Geimer, Chief Executive Officer, at (303) 863-8880.

What is the Board's recommendation?

The Board recommends a vote FOR each of the proposals described in the accompanying Notice of Special Meeting of Shareholders and this Proxy Statement. **In order for the Purchaser to be obligated to close the Investment Transaction, among other conditions that must be satisfied, shareholders must approve ALL of the proposals described herein (including the Charter Amendment and the Stock Plan Amendment).**

With respect to any other matter that properly comes before the meeting, the proxy holders will vote as recommended by the Board or, if no recommendation is given, in their own discretion.

What constitutes a quorum?

The presence at the Special Meeting, in person or by proxy, of the holders of one-third of the issued and outstanding shares of Common Stock on the record date will constitute a quorum, permitting the Company to conduct business at the Special Meeting. Proxies received but marked as abstentions will be included in the calculation of the number of shares considered to be present at the meeting for purposes of determining whether a quorum is present.

What vote is required to approve each item?

Vote Required. Pursuant to applicable law, the Company's governing documents and the NYSE Amex Stock Market listing rules, approval of each proposal to be considered and voted upon at the Special Meeting will require the affirmative vote of the holders of a majority of the shares of Common Stock for which votes are cast at the Special Meeting at which a quorum is present. A properly executed proxy marked "ABSTAIN" with respect to any proposal will not be voted or treated as a vote cast, although it will be counted for purposes of determining whether a quorum is present. Accordingly, assuming a quorum is present at the Special Meeting, an abstention will not affect the outcome of the applicable proposal. Brokers are not entitled to use their discretion to vote uninstructed proxies with respect to any proposal and are not deemed a vote cast.

Effect of Broker Non-Votes. If your shares are held by your broker in "street name," you are receiving a voting instruction form from your broker or the broker's agent asking you how your shares should be voted. Please complete the form and return it in the envelope provided by the broker or agent. No postage is necessary if mailed in the United States. If you do not instruct your broker how to vote, your broker may not exercise voting discretion with respect to the proposal to be considered at the Special Meeting. Votes that could have been cast on the matter in question if the brokers have received their customers' instructions, and as to which the broker has notified us on a proxy form in accordance with industry practice or has otherwise advised us that it lacks voting authority, are referred to as "broker non-votes." Thus, if you do not give your broker or nominee specific instructions, your shares will not be voted on those matters and will not be counted as a vote cast in determining the number of shares necessary for approval. Brokers are not entitled to use their discretion to vote uninstructed proxies with respect to the proposals to be presented at the Special Meeting and will not be not deemed a vote cast with respect to any such proposal. Accordingly, assuming a quorum is present at the Special meeting, a broker non-vote will not affect the outcome of any proposal.

Can I dissent or exercise rights of appraisal?

Neither Colorado law nor Accelr8's governing documents provide shareholders with dissenters' or appraisal rights in connection with the proposals to be presented at the Special Meeting. If the proposals are approved at the Special Meeting, shareholders voting against such proposals, or any of them, will not be entitled to seek appraisal for their shares.

How will proxies be solicited and who pays for this proxy solicitation?

The Company will bear the entire cost of solicitation, including the preparation, assembly, printing, and mailing of this Proxy Statement, the proxy card and any additional solicitation materials furnished to the shareholders. In addition to soliciting proxies by mail, our officers, directors, and employees, without receiving any additional compensation, may solicit proxies by telephone, fax, in person, or by other means. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward the solicitation material to such beneficial owners, and we will reimburse such brokerage firms, custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred by them in connection therewith. We will pay all reasonable expenses related to the solicitation of proxies.

The Company may also engage a professional proxy solicitation firm to assist the Board in soliciting proxies for the Special Meeting, although no such firm has been engaged as of the date of this filing. In the event that such a firm is engaged, the Company anticipates that it would solicit proxies by mail, telephone, fax or other means. The Company would agree to customary terms and conditions associated with any such engagement, including an estimated fee of $5,000-10,000 plus reimbursement for certain out-of-pocket costs and expenses incurred in connection with the solicitation.

Where can I access this Proxy Statement online?

The Proxy Statement and corresponding materials are available online at https://materials.proxyvote.com/004304.

APPROVAL OF PROPOSED INVESTMENT TRANSACTION
(Proposal No. 1)

Proposed Resolution

At the Special Meeting, shareholders will be asked to consider the following proposed resolution for approval:

"RESOLVED, that the certain Securities Purchase Agreement entered into on April 20, 2012 by and between the Company and Abeja Ventures, LLC, providing for the issuance and sale by the Company to such investor of 14,000,000 shares of the Company's common stock, no par value per share, for an aggregate purchase price of $14,420,000 (i.e., $1.03 per share), as well as warrants to purchase 14,000,000 additional shares of common stock, and the grant to Lawrence Mehren of options to purchase 2,200,000 shares of common stock, is hereby adopted, and the transactions contemplated by such Securities Purchase Agreement are hereby ratified, adopted and approved in all respects."

Background

Our Common Stock is listed on the NYSE Amex Stock Market, and therefore Accelr8 is subject to various NYSE Amex Stock Market rules. Section 713(a) of the NYSE Amex Company Guide requires shareholder approval as a prerequisite to approval of applications to list additional shares that are issued in connection with a transaction involving the sale, issuance or potential issuance by an issuer of common stock (or securities convertible into common stock) representing 20% or more of such issuer's presently outstanding stock for less than the greater of book or market value of the stock. Section 713(b) of the NYSE Amex Company Guide also requires shareholder approval when the issuance or potential issuance of additional shares will result in a change of control of the issuer. **In addition, pursuant to the Securities Purchase Agreement, shareholder approval of this proposal is a condition to the closing of the Investment Transaction.**

As of the date hereof, there are 11,103,367 shares of Common Stock issued and outstanding. Accordingly, if the Investment Transaction is completed, the Purchaser would hold approximately 55.8% of the issued and outstanding Common Stock immediately after the closing. Assuming the Purchaser's full exercise of the warrants to be issued in connection with the Investment Transaction (and no other issuances of Common Stock), the Purchaser would hold approximately 71.2% of the issued and outstanding Common Stock. Accordingly, the Investment Transaction is subject to shareholder approval pursuant to Section 713 of the NYSE Amex Company Guide.

As described elsewhere in this Proxy Statement, if the Investment Transaction is completed in accordance with the terms of the Securities Purchase Agreement, Lawrence Mehren will become a director of the Company and also the Company's President and Chief Executive Officer. In recognition of his services as a consultant and his prospective contributions and value to the Company, the Board determined that it was advisable to make a significant equity award to Mr. Mehren, subject to shareholder approval. Such approval is a condition to the closing of the Investment Transaction.

For more information about the terms and conditions of the Securities Purchase Agreement and the Investment Transaction (including the Mehren Option Grant), please refer to other relevant sections of this Proxy Statement and the full text of the Securities Purchase Agreement, which is attached as Annex A to this Proxy Statement.

Recommendation of the Board of Directors

After careful consideration, the Board has unanimously approved the Securities Purchase Agreement, authorized the Company to complete the Investment Transaction (including the Mehren Option Grant), and determined that the terms of the Stock Purchase Agreement and the Investment Transaction (including the Mehren Option Grant) are advisable to, and in the best interests of, the Company and its shareholders. **Accordingly, the Board recommends that you vote "FOR" the adoption of the Securities Purchase Agreement and the approval of Investment Transaction (including the Mehren Option Grant)**.

Vote Required

In order for this Proposal No. 1 to be approved, a quorum must be present at the Special Meeting, and the affirmative vote of a majority of the total votes cast on the proposal at the Special Meeting, either in person or by proxy, is required. Abstentions do not count as a vote cast. Assuming a quorum is present at the Special Meeting, abstentions and "broker non-votes" will have no effect on the outcome of the vote.

The Board unanimously recommends that shareholders vote "FOR" Proposal No. 1.

BACKGROUND OF AND RATIONALE FOR THE PROPOSED INVESTMENT TRANSACTION

Background and Description of the Proposed Investment Transaction

In the course of reaching its decision to approve the Securities Purchase Agreement and recommend that the Company's shareholders vote in favor of adopting the Securities Purchase Agreement and approving the Investment Transaction, the Board consulted with members of the Company's management team and outside advisors and considered a number of factors, including (without limitation) the following:

- the need to gain access to significant investment capital, including the $14,420,000 cash purchase price payable to Accelr8 at the closing of the Investment Transaction and the $21,210,000 that could be payable to Accelr8 in the future if the Purchaser exercises the warrants described above (for a total potential investment of more than $35,000,000), to accelerate and enhance the Company's research and development activities, to support product development and marketing initiatives, and for general working capital purposes;
- the human capital and other value that the principals of the Purchaser (including Messrs. Schuler, Patience and Mehren, who would join the Board and take major roles in the management of the Company upon the closing of the Investment Transaction) would bring to the Company given, among other things, their decades of life sciences expertise in senior management positions;
- the Company's financial condition, results of operations and cash flows, and the need to obtain additional financing in the near future (including, without limitation, to enable the Company to meet its financial obligations on a going forward basis);
- the value and importance of the Company's listing on the NYSE Amex Stock Market;
- the terms and conditions of the Securities Purchase Agreement (including, without limitation, the per share purchase price payable by the Purchaser, which, as of the date on which the terms of the Investment Transaction were negotiated, represented a premium to the then current marketing price of the Common Stock), which the Board believes are in the best interests of the Company and its shareholders;

- the potential that the Purchaser will invest up to an additional $21,210,000 if it fully exercises the warrants to be issued in connection with the closing of the Investment Transaction, which would enable the Company to continue to pursue its business plan; and
- the fact that the Company's shareholders would have an opportunity to adopt the Securities Purchase Agreement and approve the Investment Transaction.

The Board also considered the following negative factors associated with the Securities Purchase Agreement and the Investment Transaction:

- the fact that the Company's existing shareholders will be substantially diluted by the large issuance of new Common Stock provided for in the Securities Purchase Agreement, particularly if the warrants to be issued in connection with the closing of the Investment Transaction are ultimately exercised by the Purchaser;
- the fact that the ownership by the Purchaser of a substantial percentage of our total voting power, together with the contractual approval rights that we have agreed to grant to the Purchaser, may make it more difficult and expensive for a third party to pursue a strategic transaction with or involving the Company, even if a change of control would generally be beneficial to our shareholders; and
- the fees and expenses to be incurred by the Company in connection with negotiating and completing the Securities Purchase Agreement and the Investment Transaction.

In view of the variety of factors considered in its evaluation of the Securities Purchase Agreement and the complexity of these matters, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to the various factors considered. In addition, in considering the various factors, individual members of the Board may have assigned different weights to different factors.

After evaluating these and other factors, and taking into account their knowledge of the Company's business, financial condition and prospects, and the views and recommendations of the Company's management, the Board unanimously concluded that the Securities Purchase Agreement (and the Investment Transaction) are in the best interests of the Company and its shareholders. **Accordingly, the Board unanimously recommends that all shareholders vote "FOR" approval of Proposal No. 1 at the Special Meeting.**

Interests of Certain Persons

Other than as set forth below and as described elsewhere in this Proxy Statement, the Company is not aware of any relationships between the Purchaser and the Company, or any of the Company's directors, officers or significant shareholders. Reference is made to the following:

- Certain shareholders of the Company, holding approximately 32% of the issued and outstanding Common Stock, have entered into Voting Agreements with the Purchaser pursuant to which they have agreed to vote their shares in favor of the Securities Purchase Agreement, the Investment Transaction and the other transactions contemplated thereby and certain related matters.
- If the Investment Transaction is completed in accordance with the terms of the Securities Purchase Agreement (and if the other proposals described in this Proxy Statement are approved by shareholders):
  - the Stock Plan Amendment will provide for the issuance of sufficient shares of Common Stock under the Company's 2004 Omnibus Stock Option Plan (the "2004 Plan") to allow for the exercise of the stock options granted to Mr. Mehren, as described in this Proxy Statement;

- Messrs. Geimer, Howson, Kucera and Gerreston will resign from certain positions with the Company, as described above; and
- Messrs. Schuler, Patience and Mehren will be appointed to the Board, and Mr. Mehren will be appointed as the Company's President and Chief Executive Officer, as described above.

Impact on Existing Shareholders

If and when the transactions contemplated by the Securities Purchase Agreement, including the Investment Transaction, are completed, the Purchaser would hold 14,000,000 shares of Common Stock, which would represent approximately 55.8% of issued and outstanding Common Stock on a post-closing basis. Existing shareholders would hold the remaining 44.2%. Subsequently, in the event that the Purchaser were to fully exercise the warrants to be issued in connection with the Closing (and assuming no other issuances of Common Stock), the Purchaser would hold 28,000,000 shares of Common Stock, which would represent approximately 71.6% of the issued and outstanding Common Stock after giving effect to such exercises. Existing shareholders would hold the remaining 28.4%.

Assuming the closing of the Investment Transaction, the Purchaser would hold a majority of the issued and outstanding Common Stock, and principals of the Purchaser would constitute a majority of the Company's Board and also hold key management positions in the Company (including President and Chief Executive Officer). Accordingly, the Purchaser would have considerable influence in the day-to-day affairs of the Company and/or determining the outcome of any corporate transaction or other matter submitted to shareholders for approval in the future, including the election of directors and approval of mergers, consolidations or the sale of all or substantially all of the Company's assets.

The Securities Purchase Agreement

This section of the Proxy Statement describes certain material provisions of the Securities Purchase Agreement but does not purport to describe all of the terms of the Securities Purchase Agreement. A copy of the Securities Purchase Agreement is attached to this Proxy Statement as Annex A. We urge you to read the full text of the Securities Purchase Agreement, because that is the legal document that govern the sale of the Common Stock and warrants to the Purchaser, as well as certain other transactions and events contemplated by the Securities Purchase Agreement. This section of the Proxy Statement is not intended to provide you with any other factual information about the Company. Such information can be found elsewhere in this Proxy Statement and in the public filings we make with the SEC, as described below in this Proxy Statement.

General; Purchase and Sale of Securities; Purchase Price

On April 20, 2012, the Company and the Purchaser entered into a Securities Purchase Agreement pursuant to which the Company agreed to sell and issue to the Purchaser (i) 14,000,000 shares of Common Stock for an aggregate cash purchase price of $14,420,000 (i.e., $1.03 per share); (ii) a warrant to purchase 7,000,000 additional shares of Common Stock at an exercise price of $1.03 per share; and (iii) another warrant to purchase 7,000,000 additional shares of Common Stock at an exercise price of $2.00 per share, with each warrant exercisable prior to the fifth anniversary of the closing of the Investment Transaction. The terms and conditions of the Securities Purchase Agreement are described in more detail below, and the full text of the Securities Purchase Agreement is attached to this Proxy Statement as Annex A.

Under the terms of the Securities Purchase Agreement, the shares of Common Stock (the "Shares") and the warrants to purchase additional shares of Common Stock (the "Warrants"), and shares of Common Stock issuable upon exercise of the Warrants (the "Warrant Shares" and, together with the Shares and the Warrants, the "Securities"), will be issued in a transaction not involving any public offering and are therefore intended to be exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The Company expects to rely upon Section 4(2) of the Securities Act and/or Regulation D promulgated thereunder for an exemption from registration. The following discussion of the Securities Purchase Agreement provides only a summary of certain material terms and conditions of the Securities Purchase Agreement.

Representations and Warranties

The Securities Purchase Agreement contains representations and warranties by the Company relating to, among other things, the Company's corporate organization and capitalization, the due authorization of the Securities Purchase Agreement and the transactions contemplated thereby, the absence of conflicts with the Investment Transaction, the Company's filings with the SEC (including the financial statements included therein), the Company's capitalization, litigation, labor relations, regulatory permits and other matters, title to assets, material contracts, intellectual property, taxes, insurance, employee benefits, compliance with the Sarbanes-Oxley Act of 2002 and certain other applicable laws, and required third party approvals in connection with the Investment Transaction.

The Securities Purchase Agreement also contains representations and warranties by the Purchaser relating to, among other things, its status as an accredited investor and its investment intent.

Shareholders are not third-party beneficiaries under the Securities Purchase Agreement and should not construe the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company, the Purchaser or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Securities Purchase Agreement, which subsequent information may or may not be fully reflected in the our public disclosures. The provisions of the Securities Purchase Agreement, including the representations and warranties, should not be read alone, but instead should only be read together with the information provided elsewhere in this document and in the documents incorporated by reference into this document, including the periodic and current reports and statements that the Company files with the SEC. For more information regarding these documents incorporated by reference, see "Where You Can Find More Information" and "Financial Information Incorporated by Reference" below.

Closing Conditions

The Securities Purchase Agreement provides that the obligations of the Purchaser to purchase the Shares and the Warrants and complete the other transactions contemplated by the Securities Purchase Agreement are subject to the fulfillment of certain closing conditions (unless otherwise waived by the Purchaser), including:

- the representations and warranties of the Company contained in the Securities Purchase Agreement must be true and correct as of the closing date, except for representations and warranties which address matters only as of a particular date, which must be true and correct as of such date;
- the Company must have performed and complied with all of its obligations, covenants and agreements contained in the Securities Purchase Agreement that are required to be performed or complied with by it on or before the closing date;
- the Company's shareholders must have approved the Securities Purchase Agreement and the transactions contemplated thereby (if and to the extent required by applicable laws, rules and regulations or by the Company's governing documents);
- the Common Stock must have continued to be listed on the NYSE Amex Stock Market on an uninterrupted basis from the date of the Securities Purchase Agreement until the closing date, and there must not be any facts or circumstances existing as of the closing that would reasonably be expected to result in the delisting of the Common Stock by the NYSE Amex Stock Market;
- there must not have been a Material Adverse Effect (as defined in the Securities Purchase Agreement) with respect to the Company; and
- the Purchaser must have completed, to its satisfaction, its due diligence review of the Company.

The Securities Purchase Agreement provides that the obligations of the Company to sell and issue the Shares and the Warrants and complete the other transactions contemplated by the Securities Purchase Agreement are subject to the fulfillment of certain closing conditions (unless otherwise waived by the Company), including:

- the representations and warranties of the Purchaser contained in the Securities Purchase Agreement must be true and correct as of the closing date, except for representations and warranties which address matters only as of a particular date, which must be true and correct as of such date;
- the Purchaser must have performed and complied with all of its obligations, covenants and agreements contained in the Securities Purchase Agreements that are required to be performed or complied with by it on or before the closing date; and
- Accelr8's shareholders must have approved the Securities Purchase Agreement and the transactions contemplated thereby (if and to the extent required by applicable laws, rules and regulations or by the Company's governing documents).

Other Agreements of the Parties; Certain Covenants

Indemnification

The Securities Purchase Agreement provides for mutual indemnification provisions if either party suffers losses resulting from or relating to, among other things, the other party's misrepresentation and/or breach of its warranties or covenants under the Securities Purchase Agreement and other applicable transaction documents.

The Purchaser may elect to be indemnified in the form of a payment of cash by the Company to the Purchaser, or via the Company's issuance of that number of additional shares of Common Stock equal to the indemnification amount due and payable to the Purchaser divided by the average closing price of the Common Stock during the 90-day period immediately preceding the date of payment.

Listing of Common Stock

The Company has agreed to use its commercially reasonable best efforts to maintain the listing of the Common Stock on the NYSE Amex Stock Market and, failing that, any trading market, and, if required by the rules and regulations of the NYSE Amex Stock Market, to list all of the Shares on such trading market as promptly as practicable after the closing. The Company further agreed that, if the Company applies to have the Common Stock traded on any other trading market, it will include in such application all of the Shares, and will take such other action as is necessary to cause all of the Shares to be listed on such other trading market as promptly as reasonably practicable. The Company will take all action reasonably necessary to continue the quotation or listing and trading of the Common Stock on a trading market and will comply in all material respects with the Company's reporting, filing and other obligations under the bylaws and other rules and regulations of the applicable trading market.

No Solicitation

The Securities Purchase Agreement provides for certain limitations on the Company's ability to consider alternative transaction proposals and/or the Board's ability to change its recommendation with respect to the Securities Purchase Agreement and the Investment Transaction during the time period between the execution of the Securities Purchase Agreement and the closing of the Investment Transaction (or earlier termination of the Securities Purchase Agreement). These limitations are subject to certain exceptions and carve-outs. For more information, refer to Section 5.10 of the Securities Purchase Agreement, which is attached to this Proxy Statement as Annex A. Additional information regarding certain fees and expenses that would be payable by the Company in connection with its termination of the Securities Purchase Agreement under specified circumstances is set forth below.

Conduct of Business Pending the Closing

The Securities Purchase Agreement provides for certain limitations on the Company's conduct of its business during the time period between the execution of the Securities Purchase Agreement and the closing of the Investment Transaction (or earlier termination of the Securities Purchase Agreement). These limitations are subject to certain exceptions. For more information, refer to Section 5.12 of the Securities Purchase Agreement, which is attached to this Proxy Statement as Annex A.

Supplemental Listing Application

The Securities Purchase Agreement provides that, as soon as reasonably practicable but in no event later than April 27, 2012, the Company shall file a Supplemental Listing Application with the NYSE Amex Stock Market pertaining to, among other things, the issuance and sale of the Securities. The Company shall cooperate, and shall cause its counsel to cooperate, reasonably in connection with the preparation and filing of such Supplemental Listing Application. The Company shall not file the Supplemental Listing Application, or any amendment or supplement thereto, without providing the Purchaser and its counsel a reasonable opportunity to review and comment thereon (which comments shall be reasonably considered by the Company).

Amendment to Geimer Employment Agreement; Geimer Consulting Agreement

The Securities Purchase Agreement provides that the parties shall cooperate in good faith with Mr. Geimer to mutually agree upon, as soon as practicable and in any event prior to the closing of the Investment Transaction, the definitive forms of the Amendment to Geimer Employment Agreement and Geimer Consulting Agreement, which forms shall contain the key terms described on Exhibits A-1 and A-2 attached to the Securities Purchase Agreement and be executed and delivered in connection with the closing. For more information, refer to Annex A.

Registration Rights Agreement

In connection with the closing of the Investment Transaction, the Company will enter into a Registration Rights Agreement with the Purchaser pursuant to which the Purchaser and certain other parties will be granted certain demand and piggy-back registration rights, including for shelf registrations, with respect to the resale of the Securities. The form of Registration Rights Agreement is attached to the Securities Purchase Agreement as Exhibit C. For more information, refer to Annex A.

Warrants

In connection with the closing of the Investment Transaction, the Company will issue to the Purchaser (i) a warrant to purchase 7,000,000 shares of Common Stock at an exercise price of $1.03 per share; and (ii) another warrant to purchase 7,000,000 shares of Common Stock at an exercise price of $2.00 per share, with each warrant exercisable prior to the fifth anniversary of the closing of the Investment Transaction. The form of warrant is attached to the Securities Purchase Agreement as Exhibit D. For more information, refer to Annex A.

Transfer Restrictions

The Securities issuable to the Purchaser have not been registered under the Securities Act, nor under the securities laws of any state or other jurisdiction, and unless so registered may not be offered or sold in the United States or to U.S. persons except pursuant to applicable regulation or an exemption from the registration requirements of the Securities Act and applicable state securities laws. Accordingly, for the six (6)-month period beginning on the closing date, the Purchaser would not be permitted to transfer its interest in the Shares or the Warrants purchased under the Securities Purchase Agreement. The Purchaser would also be subject to contractual limitations on the transfer of the Securities, as described above.

As described above, in connection with the closing of the Investment Transaction, the Company will enter into a Registration Rights Agreement with the Purchaser pursuant to which the Purchaser and certain other parties will be granted certain demand and piggy-back registration rights, including for shelf registrations, with respect to the resale of the Securities.

Termination Rights

The Securities Purchase Agreement provides that it may be terminated by either or both of the parties under certain circumstances (including, in some instances, after shareholder approval has been obtained). For more information, refer to Article VI of the Securities Purchase Agreement, which is attached to this Proxy Statement as Annex A. Additional information regarding certain fees and expenses that would be payable by the Company in connection with its termination of the Securities Purchase Agreement under specified circumstances is set forth below.

Fees and Expenses

Pursuant to the Securities Purchase Agreement, the Company is required to pay the Purchaser a break-up fee equal to two percent of the equity value of the Company if (i) the Purchaser terminates the Securities Purchase Agreement because the Board (a) changes its recommendation to the shareholders to approve the transactions contemplated by the Securities Purchase Agreement, (b) refuses to confirm such recommendation when a takeover proposal from a person other than the Purchase is announced, or (c) does not oppose a takeover proposal from a person other than the Purchaser, or (ii) the Company terminates the Securities Purchase Agreement because, prior to the Company's stockholders approving the Securities Purchase Agreement, the Board authorizes the Company to enter into an alternative transaction that is superior to the Securities Purchase Agreement.

Additionally, pursuant to the Securities Purchase Agreement, the Company is required to pay the Purchaser a break-up fee equal to two percent of the equity value of the Company if (i) the Purchaser terminates the Securities Purchase Agreement because the Company breaches any representation, warranty or covenant and the shareholders did not approve the Securities Purchase Agreement at the Special Meeting or (ii) the Company or the Purchaser terminates the Securities Purchase Agreement (A) because the Securities Purchase Agreement did not close by July 2, 2012, as may be extended pursuant to the terms of the Securities Purchase Agreement, and the Company's shareholders did not approve the Securities Purchase Agreement at the Special Meeting or (B) because the Company's shareholders did not approve the Securities Purchase Agreement at the Special Meeting, provided that prior to such terminations described in clauses (i) and (ii) of this paragraph, a takeover proposal from a person other than the Purchaser has been publicly disclosed or communicated to the Company or Board and not withdrawn and within 12 months following the termination of the Securities Purchase Agreement the Company enters into a definitive agreement with respect to such takeover proposal.

The payment of the foregoing break-up fees is subject to certain exceptions set forth in the Securities Purchase Agreement. For more information, refer to Section 6.6 of the Securities Purchase Agreement, which is attached to this Proxy Statement as Annex A.

Other than as set forth above and as described elsewhere in this Proxy Statement, the Company and the Purchaser will each bear their own expenses in connection with the Securities Purchase Agreement and the Investment Transaction.

Governing Law

The Securities Purchase Agreement is governed by Arizona law.

INFORMATION ABOUT DIRECTORS TO BE APPOINTED UPON CLOSING OF INVESTMENT TRANSACTION

Background

The Board currently consists of three members. If the Investment Transaction is completed, (i) the size of the full Board will be increased to four members, (ii) Messrs. Kucera and Gerretson will resign from the Board, effective upon the closing of the Investment Transaction, and (iii) Messrs. Schuler, Patience and Mehren will be appointed to the Board, effective immediately following the closing, in each case in accordance with the terms of the Securities Purchase Agreement. Additional information with respect to each of the potential new Board members, as well as Mr. Geimer (who would remain on the Board following the closing of the Investment Transaction), is set forth below:

Jack Schuler

Mr. Schuler, 71, is a founding partner of Crabtree Partners, a private equity investment firm. Mr. Schuler served as a director of Ventana Medical Systems, Inc. from 1991 and as Chairman of the Board from 1995 until Ventana's acquisition by Roche in 2008. Mr. Schuler has been a director of Stericycle, Inc. (NASDAQ: SRCL) since March 1990, formerly serving as Chairman of the Board, and continues to serve as Lead Director for Stericyle. Prior to joining Stericycle, Inc., Mr. Schuler held various executive positions at Abbott Laboratories from December 1972 through August 1989, most recently serving as President and Chief Operating Officer. He is currently a director of Quidel Corporation (NASDAQ: QDEL) and Medtronic, Inc. (NYSE: MDT). Mr. Schuler holds a B.S. in Mechanical Engineering from Tufts University and an M.B.A. from Stanford University.

John Patience

Mr. Patience, 64, is also a founding partner of Crabtree Partners, a private equity investment firm. Mr. Patience served as a director of Ventana Medical Systems, Inc. from 1989 and as Vice Chairman from 1999 until Ventana's acquisition by Roche in 2008. Mr. Patience has been a director of Stericycle, Inc. (NASDAQ: SRCL) since 1989. Mr. Patience was previously a partner of a venture capital investment firm that provided both Ventana and Stericycle with early stage funding. Mr. Patience was also previously a partner in the consulting firm of McKinsey & Co., Inc., specializing in health care. Mr. Patience holds a B.A. in Liberal Arts and an L.L.B. from the University of Sydney, Australia, and an M.B.A. from the University of Pennsylvania's Wharton School of Business.

Lawrence Mehren

Mr. Mehren, 45, served as Senior Vice President and Chief Financial Officer of Ventana Medical Systems from 2007 until 2008 and as Head of Global Business from 2008 until 2011. Previously, he was Managing Director, Partner and head of P&M Corporate Finance's (an investment banking firm based in Detroit, Michigan) life sciences practice. Prior to his tenure at P&M, Mr. Mehren worked in management positions with Gale Group, a division of The Thomson Corporation, as well as Merrill Lynch. Mr. Mehren holds a B.A. in Political Science from the University of Arizona and an M.B.A. from Northwestern University's Kellogg Graduate School of Management.

Thomas V. Geimer

Mr. Geimer, 65, has been the Chairman of the Board and a director of Accelr8 since 1987. He currently serves as the Chief Executive Officer, Chief Financial Officer and Secretary of the Company. Mr. Geimer is responsible for development of the Company's business strategy, day-to-day operations, accounting and finance functions. Before assuming full-time responsibilities at the Company, Mr. Geimer founded and operated an investment banking firm.

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APPROVAL OF PROPOSED AMENDMENT TO ARTICLES OF INCORPORATION
(Proposal No. 2)

Proposed Resolution

At the Special Meeting, shareholders will be asked to consider the following proposed resolution for approval:

"RESOLVED, that an amendment to the Company's Articles of Incorporation, as amended, to (i) increase the number of authorized shares of Common Stock by 26,000,000 shares, to a total of 45,000,000 shares, and (ii) permit the Company's shareholders to take action by less than unanimous written consent in the manner contemplated by Colorado law, is hereby approved and adopted, and the appropriate officers of the Company are hereby authorized and directed to file Articles of Amendment with the Colorado Secretary of State to effect such amendment."

Background

On April 20, 2012, the Board unanimously approved an amendment to our Articles of Incorporation, as amended, that would (i) increase the number of authorized shares of Common Stock by 26,000,000 shares, to a total of 45,000,000 shares, and (ii) permit the Company's shareholders to take action by less than unanimous written consent in the manner contemplated by Colorado law, and directed the submission of the amendment for approval by the Company's shareholders at the Special Meeting. The form of the proposed Charter Amendment is attached to this Proxy Statement as Annex B.

The Company's Articles of Incorporation, as amended, currently authorize the Company to issue up to 19,000,000 shares of Common Stock. As of May 9, 2012, 11,103,367 shares of Common Stock were issued and outstanding. In addition, as of such date, 992,500 shares of Common Stock were reserved for issuance under the Company's 1996 Incentive Stock Option Plan, 1996 Non-Qualified Stock Option Plan and the 2004 Omnibus Stock Option Plan, or in respect of issued and outstanding warrants to purchase Common Stock.

The proposed increase in the number of authorized shares of Common Stock is necessary for the Company to complete the Investment Transaction, including the issuance of 14,000,000 shares of Common Stock to the Purchaser at the closing and the potential issuance of up to 14,000,000 additional shares of Common Stock to the Purchaser upon its future exercise of some or all of the warrants to be issued at the closing. The Stock Plan Amendment to be considered for approval at the Special Meeting and the Mehren Option Grant also require that the Charter Amendment be approved.

Currently, the Company's shareholders are not permitted to take action by written consent (in lieu of holding a meeting of the shareholders) unless such action is unanimous. Given the Company's distributed shareholder base and large number of shareholders, it is therefore not feasible to take action by written consent. The Charter Amendment includes language that would permit the Company's shareholders to take action by less than unanimous written consent in the future, in the manner contemplated and permitted by Colorado law. Such authorization will permit the Company's shareholders to take action more quickly and cost-effectively if or when the need arises. If the Charter Amendment is approved by shareholders, the Company anticipates that the Board will adopt a similar amendment to the Company's bylaws at or shortly after the closing of the Investment Transaction.

If the proposed Charter Amendment is approved by shareholders, it would become effective upon the filing of Articles of Amendment with the Colorado Secretary of State. Assuming the other proposals described in this Proxy Statement are also approved by shareholders (and the satisfaction or waiver of the other conditions to the closing of the Investment Transaction), the Company anticipates that such filing would occur promptly after the Special Meeting.

Shareholder Approval is Condition to Closing of Investment Transaction

Pursuant to the Securities Purchase Agreement, shareholder approval of this proposal is a condition to the closing of the Investment Transaction. In other words, if shareholders do not approve the Charter Amendment described herein, the Purchaser will not be obligated to complete the Investment Transaction even if shareholders vote to adopt the Securities Purchase Agreement and approve the Investment Transaction itself (Proposal No. 1 in this Proxy Statement).

Recommendation of the Board of Directors

After careful consideration, the Board has unanimously approved the Charter Amendment and determined that the terms of the Charter Amendment are advisable to, and in the best interests of, the Company and its shareholders. **Accordingly, the Board recommends that you vote "FOR" the approval of the Charter Amendment**.

Vote Required

In order for this Proposal No. 2 to be approved, a quorum must be present at the Special Meeting, and the affirmative vote of a majority of the total votes cast on the proposal at the Special Meeting, either in person or by proxy, is required. Abstentions do not count as a vote cast. Assuming a quorum is present at the Special Meeting, abstentions and "broker non-votes" will have no effect on the outcome of the vote.

The Board unanimously recommends that shareholders vote "FOR" Proposal No. 2.

APPROVAL OF PROPOSED AMENDMENT TO 2004 OMNIBUS STOCK PLAN
(Proposal No. 3)

Proposed Resolution

At the Special Meeting, shareholders will be asked to consider the following proposed resolution for approval:

"RESOLVED, that an amendment to the Company's 2004 Omnibus Stock Option Plan to increase the number shares of Common Stock available for issuance thereunder by 5,000,000 shares."

Background

On April 20, 2012, the Board unanimously approved an amendment to the Company's 2004 Omnibus Stock Option Plan (the "2004 Plan") that would increase the number of shares of Common Stock available for issuance thereunder by 5,000,000 shares, and directed the submission of the amendment for approval by the Company's shareholders at the Special Meeting. The form of the proposed Stock Plan Amendment and the 2004 Plan are attached as Annex C.

As of May 9, 2012, there were 500,000 shares of Common Stock authorized for issuance under the 2004 Plan, of which 495,000 shares have been reserved for awards made previously to the Company's directors, officers, employees and consultants that were outstanding as of such date, options to acquire 5,000 shares had been exercised, leaving no shares available for award as of such date.

The Board considers the proposed increase in the number of shares of Common Stock available for issuance under the 2004 Plan desirable because it will give the Board the flexibility to issue additional awards to directors, officers, employees and consultants. The Board and management believe that this amount will be sufficient for the Company's equity compensation needs for the foreseeable future. In addition, the increase is needed to provide for enough shares of Common Stock to issue upon the future exercise (if any) of the Mehren Option Grant and certain other options granted in connection with the Investment Transaction.

Set forth below is a summary of the principal provisions of the 2004 Plan, as amended by the proposed Stock Plan Amendment. The summary is qualified by reference to the full text of the proposed Stock Plan Amendment, which is attached to this Proxy Statement as Annex C.

Purpose

The purpose of the 2004 Plan is to promote the growth of the Company by permitting the Company to grant options ("Options") to purchase shares of its Common Stock, to attract and retain the best available personnel for positions of substantial responsibility and to provide certain key employees, independent contractors, consultants, technical advisors and directors of the Company with a more direct stake in the future of the Company and provide an additional incentive to contribute to the success of the Company.

Administration

The 2004 Plan shall be administered by the Compensation Committee of the Board or any committee of the Board performing similar functions, as appointed from time to time by the Board (the "Committee").

The Committee has the discretionary authority to determine the persons who are entitled to receive Options under the 2004 Plan, the type of Option to be granted under the 2004 Plan, the number of Options to be granted under the 2004 Plan, and to promulgate such other rules and regulations necessary and proper for the administration of the 2004 Plan.

Number of Shares Available for Options

As described under "Background" above, as of May 9, 2012, there were 500,000 shares of Common Stock authorized for issuance under the 2004 Plan, of which 495,000 shares have been reserved for awards made previously to the Company's directors, officers, employees and consultants that were outstanding as of such date, options to acquire 5,000 shares had been exercised, leaving no shares available for award as of such date.

Subject to the provisions of the 2004 Plan, if an Option granted under the 2004 Plan terminates, expires, lapses or is cancelled for any reason without having been exercise in full, any Common Stock subject to the Option will again be Common Stock available for grant pursuant to the 2004 Plan.

Types of Options

Pursuant to the terms of the 2004 Plan, the Committee may grant either "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") or nonqualified stock options under the 2004 Plan. Incentive stock options will be granted only to those participants who are employees of the Company. The exercise price of all incentive stock options granted under the 2004 Plan must be equal to the fair market value of such shares on the date of grant as determined by the Committee, based on guidelines set forth in the 2004 Plan. The exercise price of nonqualified stock options granted under the 2004 Plan shall be not less than 50% of the fair market value of a share on the date of grant of such Option. No Option may be exercised more than ten (10) years from the date of grant. Upon exercise of any Option, payment may be made in (i) in cash, or (ii) cash equivalents, or (iii) by other methods as determined by the Committee.

A participant will have none of the rights of a shareholder with respect to Options until the date of the issuance of stock certificates to the participant.

Eligibility

The Committee may, on behalf of the Company, grant Options to any key employee, independent contractor, consultant, technical advisor or director of the Company.

Certain Change in Control Transactions

All Options shall become immediately vested and exercisable upon the date on which the Company or its shareholders enter into an agreement to dispose of all or substantially all of the assets or Common Stock of the Company by means of sale, reorganization, liquidation or other similar transaction.

Non-transferability

No Option granted under the 2004 Plan may be sold, transferred, pledged, or assigned otherwise than by will or by the laws of descent and distribution. In addition, unless as otherwise determined by the Committee, shares of Common Stock acquired upon the exercise of an Option granted pursuant to the 2004 Plan shall not be transferable until six (6) months after the date of grant.

Amendment or Termination

The Committee may, at any time and from time to time, alter, amend, suspend or terminate the 2004 Plan in whole or in part; provided, however, that (i) any such action of the Committee is subject to the approval of the shareholders to the extent required by applicable law or regulation, and (ii) provisions of the 2004 Plan which govern the amount, price or timing of the award of an Option shall not be amended more than once every six (6) months. No amendment or termination shall, without the written consent of the holder of an Option, adversely affect the rights of such holder.

Tax Withholding

The Company and its subsidiaries have the power to withhold, or require a participant to remit to the Company, an amount sufficient to satisfy federal, state, and local withholding tax requirements on any Option awarded under the 2004 Plan.

Federal Income Tax Consequences of the 2004 Plan

The following is a brief summary of certain of the Federal income tax consequences of certain transactions under the 2004 Plan based on federal income tax laws in effect on January 1, 2012. This summary is not intended to be exhaustive and does not describe state or local tax consequences.

Upon exercise of a nonqualified option, the participant will recognize ordinary taxable income in an amount equal to the difference between the amount paid for the Option, if any, and the fair market value of the Common Stock received on the date of exercise. The Company will be entitled to a concurrent income tax deduction equal to the ordinary income recognized by the participant.

A participant who is granted an incentive stock option will not recognize taxable income at the time of exercise. However, the excess of the Common Stock's fair market value over the Option price could be subject to the alternative minimum tax in the year of exercise (assuming the Common Stock received is not subject to a substantial risk of forfeiture or is transferable). If Common Stock acquired upon exercise of an incentive stock option is held for a minimum of two (2) years from the date of grant and one (1) year from the date of exercise, the gain or loss (in an amount equal to the difference between the sales price and the exercise price) upon disposition of the Common Stock will be treated as a long-term capital gain or loss, and the Company will not be entitled to any income tax deduction. If the holding period requirements are not met, the incentive stock option will not meet the requirements of the Code and the tax consequences described for nonqualified stock options will apply.

Shareholder Approval is Condition to Closing of Investment Transaction

Pursuant to the Securities Purchase Agreement, shareholder approval of this proposal is a condition to the closing of the Investment Transaction. In other words, if shareholders do not approve the Stock Plan Amendment described herein, the Purchaser will <u>not</u> be obligated to complete the Investment Transaction <u>even if</u> shareholders vote to adopt the Securities Purchase Agreement and approve the Investment Transaction itself (Proposal No. 1 in this Proxy Statement).

Recommendation of the Board of Directors

After careful consideration, the Board has unanimously approved the Stock Plan Amendment and determined that the terms of the Stock Plan Amendment are advisable to, and in the best interests of, the Company and its shareholders. **Accordingly, the Board recommends that you vote "FOR" the approval of the Stock Plan Amendment**.

Vote Required

In order for this Proposal No. 3 to be approved, a quorum must be present at the Special Meeting, and the affirmative vote of a majority of the total votes cast on the proposal at the Special Meeting, either in person or by proxy, is required. Abstentions do not count as a vote cast. Assuming a quorum is present at the Special Meeting, abstentions and "broker non-votes" will have no effect on the outcome of the vote.

The Board unanimously recommends that shareholders vote "FOR" Proposal No. 3.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of Common Stock as of May 9, 2012 of (i) each named executive officer and each director of the Company; (ii) all named executive officers and directors of the Company as a group; and (iii) each person known to the Company to be the beneficial owner of more than five percent of the Common Stock. The Company deems shares of Common Stock that may be acquired by an individual or group within 60 days of May 9, 2012, pursuant to the exercise of options or warrants or conversion of convertible securities, to be outstanding for the purpose of computing the percentage ownership of such individual or group, but these shares are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Except as specifically noted in the footnotes, percentage of ownership is based on 11,103,367 shares of Common Stock issued and outstanding on May 9, 2012. The information as to beneficial ownership was either (i) furnished to us by or on behalf of the persons named or (ii) determined based on a review of the beneficial owners' Schedules 13D/G and Section 16 filings with respect to the Common Stock. Unless otherwise indicated, the business address of each person listed is c/o Accelr8 Technology Corporation, 7000 North Broadway, Building 3-307, Denver, Colorado 80221.

Name of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percentage of Class**
Thomas V. Geimer (1)	442,985	3.9%
Charles E. Gerretson (2)	165,300	1.5%
John D. Kucera (3)	68,663	*
David C. Howson (4)	307,600	2.7%
All named executive officers and directors as a group (4 persons)	984,548	8.4%
Kenneth Bennington, as trustee for the Thomas V. Geimer Deferred Compensation Rabbi Trust (5) 370 17th St. #3500 Denver, Colorado	1,129,110	9.9%
Merrill Lynch & Co., Inc. (6)	793,141	7.1%

*Represents less than one percent of the issued and outstanding Common Stock.

(1) Mr. Geimer is a director of the Company and also the Company's Chief Executive Officer and Chief Financial Officer. Amount includes 80,000 shares that may be purchased by Mr. Geimer upon the exercise of a stock option for an exercise price equal to $2.69 per share that expire on August 19, 2021, 100,000 shares that may be purchased by Mr. Geimer upon the exercise of a stock option for an exercise price equal to $3.60 per share that expire on December 11, 2017, and 25,000 shares that may be purchased by Mr. Geimer upon the exercise of a stock option for an exercise price equal to $1.04 per share that expire on April 19, 2022. Mr. Geimer expressly

disclaims beneficial ownership of the shares of Common Stock held by the trust described in footnote 5 below.

(2) Mr. Gerretson is a director of the Company. Amount includes (i) 115,300 shares owned directly by Mr. Gerretson; (ii) 10,000 shares that may be purchased by Mr. Gerretson upon exercise of options for an exercise price equal to $2.90 which options expire on February 18, 2015; (iii) 10,000 shares that may be purchased by Mr. Gerretson upon exercise of options for an exercise price equal to $3.00 per share that expire on October 29, 2018; (iv) 10,000 shares that may be purchased by Mr. Gerretson upon exercise of options for an exercise price equal to $1.34 per share that expire on December 13, 2013; and (v) 20,000 shares that may be purchased by Mr. Gerretson upon exercise of options for an exercise price equal to $1.04 per share that expire on April 19, 2022.

(3) Mr. Kucera is a director of the Company. Amount includes (i) 1,250 shares held on behalf of Mr. Kucera's minor children in which Mr. Kucera has the power and authority to dispose of these shares; (ii) 10,000 shares that may be purchased by Mr. Kucera upon exercise of options for an exercise price equal to $0.73 per share that expire on December 17, 2019; (iii) 10,000 shares that may be purchased by Mr. Kucera upon exercise of options for an exercise price equal to $1.34 per share that expire on December 13, 2013; and (iv) 20,000 shares that may be purchased by Mr. Kucera upon exercise of options for an exercise price equal to $1.04 per share that expire on April 19, 2022.

(4) Mr. Howson is the Company's President. Amount includes (i) 225,000 shares, which may be purchased by Mr. Howson upon exercise of options which options expire on March 15, 2015, (ii) an option to acquire 75,000 shares at a price of $2.69 per share that expire on August 19, 2013 and (iii) an option to acquire 5,000 shares at a price of $1.04 per share that expire on April 20, 2014.

(5) Kenneth Bennington as trustee, has voting and dispositive power over the shares held in the Thomas V. Geimer Deferred Compensation Rabbi Trust. Effective April 30, 2012, the Company and Mr. Bennington as trustee amended the terms of the Thomas V. Geimer Deferred Compensation Rabbi Trust to provide that the trustee has voting power with regard to trust assets.

(6) Business address is 100 North Tryon Street, Floor 25, Bank of America Corporate Center, Charlotte, North Carolina 28255. Information obtained from Schedule 13G/A filed by Bank of America Corporation with the SEC on February 11, 2011.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Our executive compensation program for Thomas V. Geimer and David C. Howson, the named executive officers (the "NEOs") is administered by the Company's compensation committee, which is comprised of Charles E. Gerretson and John D. Kucera.

Summary Compensation Table

The following table summarizes the compensation of the NEOs for the fiscal years ended July 31, 2011 and 2010:

Name and Principal Position	Fiscal Year	Salary	Stock Bonus	Option Awards	All other Awards	Other Compensation	Total ($)
Thomas V. Geimer	2011	$165,000	$0	$0	$0	$75,000(1)	$240,000
Chief Executive Officer and Chief Financial Officer	2010	$165,000	$0	$0	$0	$75,000(2)	$240,000
David C. Howson	2011	$150,000	$0	$0	$0	$0	$150,000
President	2010	$150,000	$0	$0	$0	$0	$150,000

(1) Represents deferred compensation for Mr. Geimer pursuant to the Company's deferred compensation plan, $75,000 of which vested during the fiscal year ended July 31, 2011 which payment was made on October 20, 2011.

(2) Represents deferred compensation for Mr. Geimer pursuant to the Company's deferred compensation plan, $75,000 of which vested during the fiscal year ended July 31, 2010 but such payments were not made until October 23, 2010.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Individual Arrangements and Employment Agreements

The following is a description of the individual arrangements that we have made to each of the NEOs with respect to their compensation. Mr. Geimer was paid during the fiscal year ended July 31, 2011 in accordance with his employment agreement with us with the exception of the $75,000 deferred payment, which payment was made on October 20, 2011. Mr. Howson does not have an employment agreement with the Company. In addition, Mr. Geimer also has a Change-in-Control payment that is described in the "Potential Payments Upon Termination" below.

Thomas V. Geimer – Chief Executive Officer, Chief Financial Officer, Secretary and Chairman of the Board of Directors

Effective December 1, 2008, we entered into an employment agreement with Mr. Geimer. The agreement was negotiated and approved by the Compensation Committee. The agreement provides for an annual base salary of $165,000 with annual deferred compensation of $75,000. The agreement expires on December 31, 2012. The compensation committee reviewed the prior employment agreement of Mr. Geimer in connection with the approval of Mr. Geimer's employment agreement.

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In the event of termination by mutual agreement, termination “with cause,” as defined in the agreement, death or permanent incapacity or voluntary termination, Mr. Geimer, or his estate, would be entitled to the sum of the base salary and unreimbursed expenses accrued to the date of termination and any other amounts due under the agreement. In the event of termination “without cause,” as defined in the agreement, Mr. Geimer would be entitled to the sum of the base salary and unreimbursed expenses accrued to the date of termination and any other amounts due under the agreement and an amount equal to the greater of Mr. Geimer’s annual base salary (12 months of salary) or any other amounts remaining due to Mr. Geimer under the agreement, which as of July 31, 2011 would be $340,000. Additionally, in the event of a Change in Control, any unpaid amounts due under the initial term of the agreement for both base salary and deferred compensation would be payable plus five times the sum of the base salary and deferred compensation. In his positions as Chief Executive Officer and Chief Financial Officer, Mr. Geimer exercises detailed supervision over the operations of the Company and is ultimately responsible for the operations of the Company. Mr. Geimer is also responsible for all duties incident to the title of Chief Financial Officer and Secretary.

David C. Howson – President

During the fiscal year ended July 31, 2011, we paid Mr. Howson $150,000 in cash compensation. Mr. Howson does not have an employment agreement with the Company. In his position as President, Mr. Howson supervises the technical development and product strategies. Mr. Howson further performs all duties incident to the title of President and such other duties as from time to time may be assigned to him by the Board of Directors.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information concerning options awards to Messrs. Geimer and Howson at the fiscal year ended July 31, 2011.

	Option Awards				
	Number of Securities Underlying Unexercised Option (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise	Option Expiration	
Name	Grant Date	Exercisable	Unexercisable	Price	Date
Thomas V. Geimer	December 11, 2007	100,000	0	$3.60	December 11, 2017
David Howson	March 16, 2005	225,000	0	$2.57	March 16, 2015
	March 16, 2005	0	75,000 (1)	$2.57	March 16, 2015

(1) Represents stock options that shall vest if and only if prior to the expiration date of the options, the Company closes on a transfer for the sale of the Company assets or the acquisition of the Company in which the Company's shareholders receive aggregate consideration at closing equal to or greater than $250,000,000.

Option Exercises During The Prior Fiscal Year

On July 25, 2011, Mr. Geimer exercised options to acquire 130,953 shares of the Company’s Common Stock. Mr. Geimer paid the exercise price to acquire the common stock by the surrender of 69,047 options to acquire common stock having a value of $2.75 per share, that is determined by subtracting the closing price of the Company's common stock on July 25, 2011 ($4.20) by the exercise price of the options ($1.45).

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Potential Payments Upon Termination – Cash Compensation

Mr. Geimer's employment agreement contains provisions under which the Company will be obligated to pay Mr. Geimer certain compensation upon his termination. The following tables set forth the details of the estimated payments and benefits that would be provided to Mr. Geimer in the event that his employment with us is terminated for any reason, including a termination for cause, resignation or retirement, a constructive termination, a without cause termination, death, long term disability, and termination in connection with a change in control as of July 31, 2011.

Thomas V. Geimer	Termination by Mutual Agreement	Illness or Incapacity	With cause	Resignation/ Without cause	Retirement	Termination in connection with a change in control
Cash Compensation	0	0	0	$340,000 (1)(2)	0	$1,540,000 (1)(2)

(1) Represents the amounts due under Mr. Geimer's employment agreement. See "Individual Arrangements and Employment Agreements."

(2) Includes the $75,000 payment of the deferred compensation for the fiscal year ended July 31, 2011, which payment was made on October 20, 2011.

(3) A change of control is defined in Mr. Geimer's employment agreement to mean the occurrence of one or more of the following three events:

(a) Any person becomes a beneficial owner (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) directly or indirectly of securities representing 33% or more of the total number of votes that may be cast for the election of directors of the Company;

(b) Within two years after a merger, consolidation, liquidation or sale of assets involving the Company, or a contested election of a Company director, or any combination of the foregoing, the individuals who were directors of the Company immediately prior thereto shall cease to constitute a majority of the Board; or

(c) Within two years after a tender offer or exchange offer for voting securities of the Company, the individuals who were directors of the Company immediately prior thereto shall cease to constitute a majority of the Board.

Effects of Termination Events or Change in Control on Unvested Equity Awards

All unvested stock option awards granted to Mr. Howson provide that upon a change of control, the unvested stock options will not immediately vest unless the contingencies to the stock options have been met.

Compensation of Non-Management Directors

The Company did not pay its non-management directors any cash compensation during the fiscal year ended July 31, 2011.

Cash Compensation

We have not paid any cash compensation to our directors for their service on our Board of Directors.

Liability Insurance

The Company provides liability insurance for its directors and officers. Berkley Insurance Company is the underwriter of the current coverage, which extends until January 7, 2012. The annual cost of this coverage is approximately $11,500.

Deferred Compensation Plan

In January 1996, we established a deferred compensation plan for our employees. Contributions to the plan are provided for under the employment agreement detailed above. For the fiscal year ended July 31, 2010 we contributed $75,000 to the plan. The $75,000 contribution due to Mr. Geimer for the fiscal year ended July 31, 2011 was made on October 20, 2011.

On October 14, 1997, Thomas V. Geimer exercised an aggregate of 1,140,000 warrants and options to acquire 1,140,000 shares of the Company’s Common Stock at an exercise price of $0.24 per share. Under the terms of the Rabbi Trust, we will hold the shares in trust and carry the shares as held for employee benefit by the Company. The Rabbi Trust provides that upon Mr. Geimer's death, disability, or termination of his employment the shares will be released ratably over the subsequent ten (10) years, unless the Board of Directors determines otherwise. See Note 7 to the Financial Statement for further information.

Securities Authorized For Issuance Under Compensation Plans

The table set forth below presents the securities authorized for issuance with respect to compensation plans under which equity securities are authorized for issuance as of July 31, 2011:

Equity Compensation Plan Information		
Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of available outstanding options, warrants and rights	Number of securities remaining for future issuance under equity compensation plans (excluding securities reflected in the 1st column)
Equity Compensation Plans approved by security holders 750,000	$2.91	242,500
Equity Compensation Plans not approved by security holders 0	0	0
Total 750,000		242,500

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CERTAIN TRANSACTIONS

During fiscal year 1996, the Company established a deferred compensation plan for its employees. The Company may make discretionary contributions to the plan based on recommendations from the Board. As of July 31, 2011, the Board had authorized deferred compensation totaling $1,200,000 since fiscal year 1996 to Mr. Geimer, of which $1,125,000 had been funded. The $75,000 representing the difference between the authorized deferred compensation and the funded deferred compensation was paid on October 20, 2011.

There were no other transactions or series of transactions for the fiscal year ended July 31, 2011, nor are there any currently proposed transactions, or series of the same to which we are a party, in which the amount involved exceeds $120,000 and in which, to the knowledge of the Company, any director, executive officer, nominee, five percent shareholder or any member of the immediate family of the foregoing persons, have or will have a direct or indirect material interest.

SHAREHOLDER NOMINATIONS AND OTHER PROPOSALS

If any shareholder of the Company intends to present a proposal for consideration at the 2012 Annual Meeting of Shareholders and desires to have such proposal included in the proxy statement and form of proxy distributed by the Board with respect to such meeting, such proposal must be received at the Company's offices, 7000 North Broadway, Building 3-307, Denver, Colorado 80221, Attention: Secretary, not later than May 1, 2012. Proposals received after such date, including with respect to the nomination of directors, will not be considered timely.

For each matter that you wish to bring before the meeting, provide the following information:

- a brief description of the business and the reason for bringing it to the meeting;
- your name and record address;
- the number of shares of Company stock which you own; and
- any material interest (such as financial or personal interest) that you have in the matter.

OTHER MATTERS

As of the date of this Proxy Statement, the Board does not intend to present at the Special Meeting any matters other than those described herein and does not presently know of any matters that will be presented by other parties. If any other matter is properly brought before the meeting for action by shareholders, proxies in the enclosed form returned to us will be voted in accordance with the recommendation of the Board or, in the absence of such a recommendation, in accordance with the judgment of the proxy holder.

WHERE YOU CAN FIND MORE INFORMATION

The Company is subject to the informational requirements of the Exchange Act and files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling 1-800-SEC-0330. The statements and forms that the Company files with the SEC have been filed electronically and are available for viewing or copy on the SEC maintained Internet site that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC. The Internet address for this site can be found at: www.sec.gov.

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A copy of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2011, and copies of the Company's Quarterly Reports on Form 10-Q for the fiscal quarters ended October 31, 2011 and January 31, 2012, can be found at the SEC's Internet site. The Company's Annual Report on Form 10-K (including the financial information set forth therein) is incorporated by reference into this Proxy Statement, as described below. The Company will provide upon written request, without charge to each shareholder of record as of the record date, a copy of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2011, as filed with the SEC. Any exhibits listed in the Form 10-K report also will be furnished upon request at the actual expense incurred by the Company in furnishing such exhibits. Any such requests should be directed to the Company's Secretary at our principal executive offices at 7000 North Broadway, Building 3-307, Denver, Colorado 80221.

Financial Information INCORPORATED BY REFERENCE

The SEC allows the Company to "incorporate by reference" into this Proxy Statement documents that we file with the SEC. This means that the Company can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this Proxy Statement. We incorporate by reference Items 7, 7A, 8, 9, 10, 11, 12, and 13 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2011 and Items 1, 2 and 3 of Part I of the Company's Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2012 and any other items in that Quarterly Report expressly updating the above referenced items from the Company's Annual Report on Form 10-K.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON JUNE 26, 2012

This Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended July 31, 2011 are available via the Internet at https://materials.proxyvote.com/004304.

SHAREHOLDERS ARE URGED TO IMMEDIATELY MARK, DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. YOUR VOTE IS IMPORTANT.

Accelr8 Technology Corporation

/s/ Thomas V. Geimer

Thomas V. Geimer

Chairman of the Board

May , 2012

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ANNEX A

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (together with all exhibits, appendices and schedules hereto, as amended, supplemented, or otherwise modified from time to time, this "Agreement") is made and entered into as of April 20, 2012, by and among Accelr8 Technology Corporation, a Colorado corporation (the "Company"), and the purchaser identified on the signature page hereto (together with its successors and permitted assigns, "Purchaser").

RECITALS

A. Subject to certain conditions, including (without limitation) any approvals required to be obtained from the Company's stockholders, the NYSE Amex Stock Market or other third parties, the Purchaser desires to make a significant equity investment in the Company by purchasing the Shares and the Warrants (each as defined below) in a private placement transaction exempt from the registration requirements set forth in the Securities Act (as defined below) pursuant to Section 4(2) thereof and Rule 506 promulgated thereunder. Assuming the full exercise of the Warrants, the Purchaser is proposing to make a total investment of up to $35,000,000.

B. Certain stockholders of the Company have entered into Voting Agreements with the Purchaser, pursuant to which they have agreed to vote their shares of Common Stock in favor of the transactions contemplated by this Agreement and certain related matters.

C. The parties are entering into this Agreement to specify the terms and conditions on which the Company will sell and issue to the Purchaser, and the Purchaser will acquire from the Company, the Shares and the Warrant.

AGREEMENT

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser, intending to be legally bound, hereby agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms shall have the meanings ascribed thereto in this Section 1.1:

"Accredited Investor" means an accredited investor, as defined in Rule 501(a) promulgated by the Commission under the Securities Act.

"Action" means any action, appeal, petition, plea, charge, complaint, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation, audit or similar event, occurrence, or proceeding, in each case filed, commenced, brought, conducted or heard with, by or before, or otherwise involving, any Governmental Authority, arbitrator, mediator, Trading Market, stock exchange or stock trading facility, whether (i) civil, criminal, administrative, judicial or investigative, (ii) formal or informal, (iii) public, private or otherwise, or (iv) at law, in

equity or otherwise.

1 Securities Purchase Agreement

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144.

"Amendment to Geimer Employment Agreement" means that certain Amendment to Employment Agreement with Thomas V. Geimer, to be entered into on the Closing Date, which shall contain the terms set forth on Exhibit A-1 attached hereto and such other customary terms and conditions as the parties thereto agree upon.

"Board" means the board of directors of the Company.

"Business Day" means any day except (i) any Saturday, (ii) any Sunday, (iii) any federal legal holiday, and (iv) any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Bylaws" means the bylaws of the Company.

"Charter Amendment" means an amendment to the Company's existing Articles of Incorporation (as of the date of this Agreement) to (i) increase the number of authorized shares of Common Stock to a total of 45,000,000 shares, and (ii) incorporate such other amendments that the Purchaser reasonably determines to be necessary to consummate the transactions contemplated by this Agreement.

"Closing" means the closing of the purchase and sale of the Shares pursuant to ARTICLE II.

"Closing Date" means the date of the Closing.

"Code" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, no par value per share, and any securities into which such common stock may hereafter be reclassified.

"Common Stock Equivalents" means any securities of the Company which entitle the holder thereof to acquire Common Stock at any time, including any debt, preferred stock, rights, options, warrants or other instrument that is at any time, in one transaction or in a series of transactions, convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock or other securities that entitle the holder to receive, directly or indirectly, Common Stock.

"Company Stockholders Meeting" means the special meeting of the stockholders of the Company to be held to consider the adoption or approval of this Agreement, the Charter Amendment, the Stock Incentive Plan Amendment, the Option Grant and the transactions contemplated by this Agreement.

"Effective Date" means the date that the Registration Statement is first declared effective by the Commission.

"Eligible Market" means any of the New York Stock Exchange, the NYSE Amex Stock Exchange, the NASDAQ Global Market, or the NASDAQ Capital Market (or their respective successors).

2 Securities Purchase Agreement

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" means Alliance Bank of Arizona.

"Escrow Agreement" means that certain Escrow Agreement of even date herewith, substantially in the form of Exhibit B attached hereto, by and among the Purchaser, the Company and the Escrow Agent, providing for, among other things, the release of the Investment Amount to the Company upon the Closing.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Geimer Consulting Agreement" means that certain Consulting Agreement with Thomas V. Geimer, to be entered into on the Closing Date, which shall contain the terms set forth on Exhibit A-2 attached hereto and such other customary terms and conditions as the parties thereto agree upon.

"Governmental Authority" means any (i) nation, state, county, city, town, borough, village, district or other jurisdiction, (ii) supranational, national, federal, state, local, municipal, foreign or other government, (iii) multi-national organization or body, (iii) foreign or domestic stock exchange, stock market or inter-dealer or automatic quotation system, including any Trading Market, (vi) foreign or domestic securities association or similar self-regulatory organization, including the Financial Industry Regulatory Authority, (v) supranational, national, federal, state, local, municipal, foreign or other (A) governmental or quasi-governmental authority of any nature, including any legislature, agency, board, bureau, branch, department, division, commission, instrumentality, court, tribunal, magistrate, justice or other entity exercising governmental or quasi-governmental powers, (B) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, military, regulatory or taxing authority or power, or (C) quasi-governmental or private body exercising any judicial, executive, regulatory, taxing or any other governmental or quasi-governmental authority, or (vii) official of any of the foregoing.

"Indebtedness" means (i) any liabilities for borrowed money or amounts owed in excess of $50,000 (other than trade accounts payable incurred in the ordinary course of business), (ii) all guaranties, endorsements and other contingent obligations in respect of Indebtedness of others, whether or not the same are or should be reflected in the Company's balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (iii) the present value of any lease payments in excess of $50,000 due under leases required to be capitalized in accordance with GAAP (as defined below).

"Intellectual Property Rights" means (i) worldwide patents, patent applications, invention disclosures and other rights of invention, filed with any Governmental Authority, and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof and all reexamined patents or other applications or patents claiming the benefit of the filing date of any of the foregoing (collectively, "Patents"); (ii) worldwide (A) registered trademarks and service marks and registrations and applications for such registrations, and (B) unregistered trademarks and service marks, trade names, fictitious business names, corporate names, trade dress, logos, product names and slogans, including any common law rights; in each case together with the goodwill associated therewith (collectively, "Trademarks"); (iii) worldwide (A) registered copyrights in published or unpublished works, mask work rights and similar rights, including rights created under Sections 901-914 of Title 17 of the United States Code, mask work registrations, and copyright applications for registration, including any renewals thereof, and (B) any unregistered copyrightable works and other rights of authorship in published or unpublished works (collectively, "Copyrights"); (iv) worldwide (A) internet domain names; (B) website content; (C) telephone numbers; and (D) moral rights and publicity rights (collectively, "Owned Rights"); (iv) any computer program or other software (irrespective of the type of hardware for which it is intended), including firmware and other software embedded in hardware devices, whether in the form of source code, assembly code, script, interpreted language, instruction sets or binary or object code (including compiled and executable programs), including any library, component or module of any of the foregoing,

including, in the case of source code, any related images, videos, icons, audio or other multimedia data or files, data files, and header, development or compilations tools, scripts, and files (collectively, "Software"), and (v) worldwide confidential or proprietary information or trade secrets, including technical information, inventions and discoveries (whether or not patentable and whether or not reduced to practice) and improvements thereto, know-how, processes, discoveries, developments, designs, techniques, plans, schematics, drawings, formulae, preparations, assays, surface coatings, diagnostic systems and methods, patterns, compilations, databases, database schemas, specifications, technical data, inventions, concepts, ideas, devices, methods, and processes (collectively, "Proprietary Information"); and includes any rights to exclude others from using or appropriating any Intellectual Property Rights, including the rights to sue for or assets claims against and remedies against past, present or future infringements or misappropriations of any or all of the foregoing and rights of priority and protection of interests therein, and any other proprietary, intellectual property or other rights relating to any or all of the foregoing anywhere in the world.

3 Securities Purchase Agreement

"Investment Amount" means $14,420,000.

"Knowledge" means actual knowledge after reasonable investigation.

"Laws" means any federal, state, local, domestic, foreign, international or multi-national law (statutory, common, or otherwise), constitution, treaty, statute, code, order, writ, injunction, decree, award, stipulation, ordinance, administrative doctrine, equitable principle, code, rule, regulation, executive order, request, or other similar authority enacted, adopted, promulgated, or applied by any Governmental Authority, each as amended and in effect from time to time.

"Liability" means any liability or obligation of any kind, character or description, whether known or unknown, absolute or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, conditional or unconditional, accrued or unaccrued, liquidated or unliquidated, vested or unvested, joint or several, due or to become due, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on financial statements. The related term "Liable" has the correlative meaning.

"Lien" means any deed of trust, mortgage, pledge, hypothecation, assignment, deposit or preferential arrangement, right of first refusal, charge, encumbrance, lien, statutory lien of any kind or nature (including landlord's, warehousemen's, carriers', mechanics', suppliers', materialmen's, repairmen's or other like liens), or other security agreement or security interest of any kind or nature whatsoever, including any conditional sale or other title retention agreement and any capital or financing lease having substantially the same economic effect as any of the foregoing, but excluding anynon-exclusive license of intellectual property and any restriction imposed under applicable securities laws.

"Losses" means, without duplication, any and all damages, losses (including losses due to business interruption or operation shutdowns, increased costs of operation, and the loss of any available tax deduction, and including special, exemplary, punitive or incidental losses or damages), deficiencies, costs of mitigation or avoidance, Liabilities, expenses of whatever nature, costs (including increased costs of business or operations), obligations, fines, interest, penalties, and payments, whether incurred by or issued against a Person, including (i) with respect to environmental liabilities and losses, clean-up, remedial correction and responsive action, and (ii) with respect to any Action or threatened Action, amounts paid in defense, settlement, investigation and discovery, costs associated with obtaining injunctive relief, administrative costs and expenses, reasonable fees and expenses of mediators, arbitrators, attorneys, expert witnesses, accountants and other professional advisors, and other out-of-pocket costs of investigation, preparation, mediation, arbitration, and litigation in connection therewith.

4 Securities Purchase Agreement

"Option Grant" means the grant of an option to Lawrence Mehren to purchase 2,200,000 shares of Common Stock at an exercise price equal to the price listed for the Common Stock on the NYSE Amex Stock Market as of the date of the grant.

"Organizational Documents" means, with respect to any entity, (i) if a corporation, its articles or certificate of incorporation and its bylaws, (ii) if a limited liability company, its articles or certificate of formation or organization and its operating agreement, or (iii) if another type of entity, any other charter, regulations or similar document, including contracts (such as an operating agreement, trust agreement or instrument, or partnership agreement), adopted, agreed, or filed in connection with the creation, formation, organization, governance or management of such entity.

"Person" means an individual or corporation, partnership (general, limited or limited liability), trust (business, statutory or other), association (incorporated or unincorporated), joint venture, limited liability company, joint stock company, government (or any branch, agency or subdivision thereof), or any other entity of any kind or nature.

"Proceeding" means an action, claim, suit, investigation or proceeding (including an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Release Date" means the earlier to occur of (i) the date on which no Purchaser holds any Shares, and (ii) the date on which the Purchaser is eligible to sell Shares without volume or manner of sale limitations pursuant to Rule 144.

"Registered Intellectual Property" means, with respect to any Person, all worldwide (i) Patents, (ii) registered Trademarks and registrations and applications related thereto, (iii) registered internet domain names and telephone numbers, and (iv) registered Copyrights and applications therefor; in each case of clauses (i) through (iv) next preceding, that is owned by, registered or filed in the name of, such Person or any subsidiary of such Person.

"Registration Rights Agreement" means that certain Registration Rights Agreement, substantially in the form of Exhibit C attached hereto, to be entered into by and between the Company and the Purchaser at the Closing, providing the Purchaser with certain registration rights relating to the Securities.

"Required Stockholder Approval" means the adoption or approval of this Agreement, the Charter Amendment, the Stock Incentive Plan Amendment, the Option Grant and the transactions contemplated by this Agreement by the affirmative vote of holders of a majority of the shares of Common Stock represented, in person or by proxy, and entitled to vote, at the Company Stockholders Meeting, assuming the presence of a quorum, in each case as provided under applicable Laws and the Company's Organizational Documents.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such rule.

"Securities" means the Shares and the Warrant Shares.

"Securities Act" means the United States Securities Act of 1933, as amended.

5 Securities Purchase Agreement

"Shares" means the shares of Common Stock to be issued to the Purchaser at the Closing pursuant to this Agreement, as specified on the signature page hereto.

"Stock Incentive Plan Amendment" means an amendment to the Company's 2004 Omnibus Stock Option Plan (the "Stock Incentive Plan") to increase the number of shares of Common Stock allocated to it by 5,000,000 shares.

"Subsidiary" means any subsidiary of the Company that would be required to be listed in an exhibit to the Company's Annual Report on Form 10-K covering the period in which the date of this Agreement falls.

"Superior Proposal" means a bona fide written Takeover Proposal involving the direct or indirect acquisition pursuant to a tender offer, exchange offer, merger, consolidation or other business combination, of all or substantially all of the Company's consolidated assets or a majority of the outstanding Common Stock, that the Board determines in good faith (after consultation with outside legal counsel) is more favorable from a financial point of view to the holders of Common Stock than the transactions contemplated by this Agreement, taking into account (i) all financial considerations, (ii) the identity of the third party making such Takeover Proposal, (iii) the anticipated timing, conditions (including any financing condition or the reliability of any debt or equity funding commitments) and prospects for completion of such Takeover Proposal, (iv) the other terms and conditions of such Takeover Proposal and the implications thereof on the Company, including relevant legal, regulatory and other aspects of such Takeover Proposal deemed relevant by the Board and (v) any revisions to the terms of this Agreement and the transactions contemplated by this Agreement proposed by the Purchaser during the Notice Period set forth in Section 5.10(d) of this Agreement.

"Takeover Proposal" means a proposal or offer from, or indication of interest in making a proposal or offer by, any Person (other than the Purchaser) relating to any (i) direct or indirect acquisition of assets of the Company (excluding sales of assets in the ordinary course of business) equal to fifteen percent (15%) or more of the fair market value of the Company's consolidated assets or to which fifteen percent (15%) or more of the Company's net revenues or net income on a consolidated basis are attributable, (ii) direct or indirect acquisition of fifteen percent (15%) or more of the voting equity interests of the Company, (iii) tender offer or exchange offer that if consummated would result in any Person beneficially owning (within the meaning of Section 13(d) of the Exchange Act) fifteen percent (15%) or more of the voting equity interests of the Company, (iv) merger, consolidation, other business combination or similar transaction involving the Company, pursuant to which such Person would own fifteen percent (15%) or more of the consolidated assets, net revenues or net income of the Company, taken as a whole, or (v) liquidation or dissolution (or the adoption of a plan of liquidation or dissolution) of the Company or the declaration or payment of an extraordinary dividend (whether in cash or other property) by the Company.

"Taxes" means (i) all taxes, levies, assessments, duties, imposts or other like assessments, charges or fees (including estimated taxes, charges and fees), including income, profits, corporations, advance corporation, gross receipts, transfer, excise, property, sales, use value-added, ad valorem, license, capital, wage, employment, payroll, withholding, social security, severance, occupation, import, export, custom, stamp, alternative, add-on minimum, environmental, franchise or other governmental taxes or charges, imposed by any Governmental Authority, including any interest, penalties or additions applicable or related thereto, (ii) all liability for the payment of any amounts of the type described in clause (i) next preceding as the result of being (or ceasing to be) a member of an affiliated, consolidated, combined or unitary group (or being included (or required to be included) in any Tax Return related thereto), and (iii) all liability for the payment of any amounts as a result of an express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person with respect to the payment of any amounts of the type described in clause (i) or (ii) next preceding.

6 Securities Purchase Agreement

“Tax Return” means any report,imes New Roman">

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- in transactions through broker-dealers that agree with the Selling Shareholders to sell a specified number of such Securities at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

Our Class A Common Shares are listed for trading on the TSXV under the symbol “GRZ.V” and trade on the OTCQB under the symbol “GDRZF.”

The Selling Shareholders may also sell securities under Rule 144 or any other exemption from registration available to the Selling Shareholders under the Securities Act, if available, rather than under this prospectus. Broker-dealers engaged by the Selling Shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Shareholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission, in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown, in compliance with FINRA IM-2440.

In connection with the sale of the Securities or interests therein, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Securities in the course of hedging the positions they assume. The Selling Shareholders may also sell Securities short and deliver these Securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Shareholders and any broker-dealers or agents that are involved in selling the Securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. The Selling Shareholders have informed us that they do not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the Securities. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

We are required to pay certain fees and expenses incurred by us incident to the registration of the Securities.

Because the Selling Shareholders may be deemed to be an “underwriter” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act, including Rule 172 thereunder. The Selling Shareholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the Securities by the Selling Shareholders.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the Securities may not simultaneously engage in market making activities with respect to the Securities for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of shares of the Securities by the Selling Shareholders or any other person. We will make copies of this prospectus available to the Selling Shareholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

EXCHANGE CONTROLS

There are currently no laws, decrees, regulations or other legislation in Canada that restricts the export or import of capital or that affects the remittance of dividends, interest or other payments to non-resident holders of our Class A Common Shares other than withholding tax requirements. There is no limitation imposed by Canadian law or by our Articles of Incorporation or bylaws on the rights of a non-resident of Canada to hold or vote our Class A Common Shares, other than as provided in the North American Free Trade Agreement Implementation Act (Canada) and in the Investment Canada Act, as amended by the World Trade Organization Agreement Implementation Act.

The Investment Canada Act requires notification and, in certain cases, advance review and approval by the Government of Canada of the acquisition by a "non-Canadian" of "control of a Canadian business," all as defined in the Investment Canada Act. Generally the threshold for review will be higher in monetary terms, and in certain cases an exemption will apply, for an investor ultimately controlled by persons who are nationals of a WTO Member or have the right of permanent residence in relation thereto.

INSPECTION OF DOCUMENTS

Copies of the documents referred to in this Prospectus, or in the Registration Statement, may be inspected at our corporate office at 926 W. Sprague Avenue, Suite 200, Spokane, Washington 99201, during normal business hours.

TAXATION

Certain Material U.S. Federal Income Tax Considerations for U.S. Holders

Certain U.S. federal income tax considerations. The following is a summary of certain material U.S. federal income tax considerations relating to the acquisition, ownership, and disposition of Class A Common Shares by U.S. Holders (defined below).

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder. In addition, this summary does not take into account the U.S. federal income tax consequences related to any facts or circumstances of any particular U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Each U.S. Holder should consult his, her or its own financial advisor, legal counsel, or accountant regarding the U.S. federal income tax consequences relating to the acquisition, ownership, and disposition of Class A Common Shares.

Authorities. This summary is based on the Code, temporary, proposed and final Treasury Regulations promulgated thereunder, published rulings of the IRS, published administrative positions of the IRS, and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date hereof. All of the authorities on which this summary is based are subject to differing interpretations and could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. In such event, the U.S. federal income tax consequences applicable to a U.S. Holder could differ from those described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders. For purposes of this summary, a "U.S. Holder" is a beneficial owner of Class A Common Shares that, for U.S. federal income tax purposes, is (a) an individual who is a citizen or resident of the U.S., (b) a corporation, or

other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the U.S., any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (d) a trust, if (1) a court within the U.S. can exercise primary supervision over the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) the trust was in existence on August 20, 1996, and validly elected to be treated as a U.S. person.

Non-U.S. Holders. For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of Class A Common Shares other than a U.S. Holder. A non-U.S. Holder should consult his, her or its own financial advisor, legal counsel, or accountant regarding the U.S. federal income tax consequences (including the potential application of and operation of any income tax treaties) of the acquisition, ownership, and disposition of Class A Common Shares.

U.S. Holders subject to special U.S. federal income tax rules not addressed. This summary applies only to U.S. Holders that hold Class A Common Shares as "capital assets" within the meaning of Section 1221 of the Code, and it does not purport to deal with U.S. Holders that are subject to special provisions under the Code, including U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement

accounts, or other tax-deferred accounts; (b) are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (c) are dealers in securities, commodities or currencies, or U.S. Holders that are traders in securities or commodities that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) are subject to the alternative minimum tax under the Code; (f) own Class A Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (g) acquired Class A Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (h) hold the Class A Common Shares other than as capital assets within the meaning of Section 1221 of the Code; or (i) own (directly, indirectly, or constructively) 10% or more, by voting power or value, of our outstanding shares. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own financial advisor, legal counsel or accountant regarding the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Class A Common Shares.

If a partnership holds Class A Common Shares, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. This summary does not address partnerships or partners in partnerships. A person that is a partner in a partnership that holds Class A Common Shares should consult his, her or its own financial advisor, legal counsel or accountant regarding the tax consequences of the acquisition, ownership, and disposition of Class A Common Shares.

Tax consequences other than U.S. federal income tax consequences to U.S. Holders not addressed. Other than the discussion of certain Canadian tax consequences set forth below, this summary does not address the consequences arising under U.S. federal estate, gift, or excise tax laws or the tax laws of any applicable foreign, state, local or other jurisdiction. Each U.S. Holder should consult his, her or its own financial advisor, legal counsel, or accountant regarding the consequences of any of these laws on the acquisition, ownership, and disposition of Class A Common Shares. In addition, this summary does not address the U.S. tax consequences to non-U.S. Holders. Each non-U.S. Holder should consult his, her or its own financial advisor, legal counsel, or accountant regarding the U.S. tax consequences of the acquisition, ownership, and disposition of Class A Common Shares.

We have determined that we are a "passive foreign investment company" under the Code and, as a result, there may be adverse U.S. tax consequences for U.S. Holders. We have determined that we were a PFIC for the taxable year ended December 31, 2012, and we expect to be a PFIC for the taxable year ending December 31, 2013, and for the foreseeable future. Accordingly, special U.S. federal income tax rules apply to the acquisition, ownership and disposition of Class A Common Shares.

Sections 1291 through 1298 of the Code contain special rules applicable to foreign corporations that are PFICs. A foreign corporation will be considered a PFIC if 75% or more of its gross income (including a pro rata share of the gross income of any company (U.S. or foreign) in which the corporation is considered to own 25% or more of the shares by value) in a taxable year is passive income. Alternatively, a foreign corporation will be considered a PFIC if at least 50% of the assets (averaged over the four quarter ends of the year) of the corporation (including a pro rata share of the assets of any company of which the corporation is considered to own 25% or more of the shares by value) in a taxable year are held for the production of, or produce, passive income.

We expect that we will be a PFIC for the taxable year ending December 31, 2013, and, as a result, will be treated as a PFIC for such taxable year. The determination of whether we and any of our subsidiaries will be a PFIC for a taxable year depends on (i) the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and (ii) our, and our subsidiaries', assets and income over the course of each such taxable year. As a result, whether we and any of our subsidiaries will be PFICs for any taxable year cannot be predicted with certainty as of the date of this prospectus. Accordingly, there can be no assurance that we and any of our subsidiaries will or will not be a PFIC for any taxable year. However, we expect that we will continue to be a PFIC for each subsequent taxable year prior to the year any production begins, and this summary is based on that expectation.

For taxable years in which we are a PFIC, each U.S. Holder, in the absence of an election by such U.S. Holder to treat the Company as a "qualified electing fund" (*i.e.*, a "QEF election"), or an election by such U.S. Holder to "mark-to-market" his or her Class A Common Shares (*i.e.*, an "MTM election"), as discussed below, will, upon certain "excess distributions" by the Company or upon disposition of the Class A Common Shares at a gain, be

liable to pay U.S. federal income tax at the highest tax rate on ordinary income in effect for each year to which the income is allocated plus interest on the tax, as if the distribution or gain had been recognized ratably over each day in the U.S. Holder's holding period for the Class A Common Shares while we were a PFIC.

A U.S. Holder who owns Class A Common Shares during a period when we are a PFIC will be subject to the foregoing PFIC rules, even if we cease to be a PFIC, unless such U.S. Holder makes a QEF election in the first year of the U.S. Holder's holding period for the Class A Common Shares and in which we are considered a PFIC (a "timely QEF election"). A U.S. Holder that makes a timely and effective QEF election will not be subject to the adverse taxation rules for PFICs discussed above with respect excess distributions or gains. Instead, such U.S. Holder will be subject to U.S. federal income tax on his, her or its pro rata share of our "net capital gain" and "ordinary earnings" (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by us. A U.S. Holder who makes such a timely QEF election will also be entitled to treat any future gain on the sale of the Class A Common Shares as capital gain.

For a U.S. Holder to make a QEF election, we must agree to supply annually to the U.S. Holder the "PFIC Annual Information Statement" described in Treasury Regulations and permit the U.S. Holder access to certain information in the event of an audit by the U.S. tax authorities. We will prepare and make the statement available to U.S. Holders, and will permit access to the information.

Treasury Regulations provide that a holder of an option, warrant or other right to acquire stock of a PFIC, including the Warrants, may not make a QEF election that will apply to the warrant or to the stock subject to the warrant. In addition, if a U.S. Holder owns Class A Common Shares and has made a QEF election for that stock, the QEF election will not apply to the stock that is subject to an option or a warrant. Under Treasury Regulations, if a U.S. Holder holds a option or warrant to acquire stock of a PFIC, the holding period with respect to shares of stock of the PFIC acquired upon exercise of the warrant or option shall include the period that the warrant or option was held. The general effect of these rules is that (a) under the adverse taxation rules for PFICs discussed above, excess distributions and gains realized on the disposition of shares in a PFIC received upon exercise of a warrant or option will be spread over the entire holding period for the warrant or option and the shares acquired thereby and (b) if a U.S. Holder makes a QEF election upon the exercise of the warrant or option and receipt of the shares, that election generally will not be a timely QEF election with respect to such shares and thus the adverse taxation rules with respect to PFICs discussed above will continue to apply.

Therefore, U.S. Holders that receive Class A Common Shares upon the exercise of Warrants will not be able to make a timely QEF election with respect to such Class A Common Shares. However, it appears that U.S. Holders receiving Class A Common Shares upon the exercise of Warrants should be able to avoid the adverse taxation rules for PFICs discussed above with respect to future excess distributions and gains if such U.S. Holders make a QEF election effective as of the first day of the taxable year of such U.S. Holders beginning after the receipt of such Class A Common Shares and such U.S. Holders also make an election to recognize gain (which will be taxed under the adverse taxation rules for PFICs rules discussed above) as if such Class A Common Shares were sold on such date at fair market value (a "Gain Recognition Election").

A U.S. Holder who receives Class A Common Shares upon the exercise of a Warrant and makes a Gain Recognition Election as described above and a QEF election effective as of the first day of the taxable year of such U.S. Holder beginning after the receipt of such Class A Common Shares (and complies with certain U.S. federal income tax reporting requirements), should not have any material adverse U.S. federal income tax consequences as a result of the QEF election if we have no ordinary earnings or net capital gains during such taxable year. We currently expect that we will not have any ordinary earnings or net capital gains in future years in which we may be a PFIC. However, no assurance can be given as to this expectation. Each U.S. Holder is urged to consult his, her or its own financial advisor, legal counsel, or accountant concerning the application of the U.S. federal income tax rules governing PFICs to his, her or its particular circumstances.

Each U.S. Holder choosing to make a QEF election would be required annually to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with such U.S. Holder's timely filed U.S. federal income tax return (or directly with the IRS if the U.S. Holder is not required to file an income tax return). Such U.S. Holder must include on IRS Form 8621 his, her or its income as reflected in the PFIC Annual Information Statement such holder receives from us. If we determine that we were a

PFIC during the taxable year, within two months after the end of each such taxable year we will make available the PFIC Annual Information Statement.

As part of the Hiring Incentives to Restore Employment Act of 2010 (the "Hiring Incentives Act"), new reporting requirements were added under Section 1298(f) of the Code for U.S. persons who are shareholders in a PFIC (the "Section 1298(f) Requirements"). The IRS and Treasury are developing further guidance regarding these reporting requirements. In the interim, the Section 1298(f) Requirements are suspended pending release of a subsequent revision of Form 8621, modified to reflect the requirements of Section 1298(f), as set forth in guidance to be included in future Treasury Regulations. You should consult your financial advisor, legal counsel, or accountant regarding the specific reporting obligations to you (including as a result of the Hiring Incentives Act).

As an alternative to the QEF election, a U.S. Holder may make a MTM election if we are a PFIC and the Class A Common Shares are "marketable stock" (as specifically defined). We believe the Class A Common Shares are "marketable stock" for this purpose. If a U.S. Holder makes the MTM election, such holder must recognize as ordinary income or loss each year an amount equal to the difference as of the close of the taxable year (or actual disposition of the Class A Common Shares) between the fair market value of the Class A Common Shares and his, her or its adjusted tax basis in the Class A Common Shares. Losses would be allowed only to the extent of net mark-to-market gain previously included in income by the U.S. Holder under the election for prior taxable years. If the U.S. Holder makes the MTM election, distributions from us with respect to the Class A Common Shares will be treated as if we are not a PFIC, except that the lower tax rate on dividends for U.S. Holder that are individuals would not be applicable.

In addition, special rules would apply to U.S. Holders of the Class A Common Shares for any taxable year in which we are a PFIC and have one or more subsidiaries that is also a PFIC as to such U.S. Holder (a "Subsidiary PFIC"). In such case, U.S. Holders of the Class A Common Shares generally would be deemed to own their proportionate interest in any Subsidiary PFIC and be subject to the PFIC rules with respect to such Subsidiary PFIC regardless of the percentage ownership of such U.S. Holders in us. If one of our subsidiaries is a PFIC and a U.S. Holder does not make a QEF election as to such subsidiary, as described above, the U.S. Holder could incur liability for the deferred tax and interest charge described above if the Subsidiary PFIC makes a distribution, or an interest in the Subsidiary PFIC is disposed of in whole or in part, or the U.S. Holder disposes of all or part of his, her or its Class A Common Shares. A QEF election must be made separately for each PFIC and thus a QEF election made with respect to us will not apply to any Subsidiary PFIC. If one of our subsidiaries is a PFIC, a QEF election for such subsidiary could accelerate the recognition of taxable income and may result in the recognition of ordinary income. Additionally, a U.S. Holder of Class A Common Shares that has made a MTM election for his or her Class A Common Shares could be subject to the PFIC rules with respect to the income of a Subsidiary PFIC even though the value of the Subsidiary PFIC has already been subject to tax as a result of the MTM election. A MTM election would not be permitted for a Subsidiary PFIC.

Due to the complexity of the PFIC, QEF and MTM election rules, a U.S. Holder should consult his, her or its own financial advisor, legal counsel, or accountant regarding our and our subsidiaries' status as PFICs and the eligibility, manner and advisability of making a QEF election or a MTM election and how the PFIC rules may affect the U.S. federal income tax consequences of a U.S. Holder's acquisition, ownership and disposition of Class A Common

Shares.

Information Reporting; Backup Withholding

In general, interest payments, dividend payments, other taxable distributions on the Class A Common Shares, proceeds from the disposition of Class A Common Shares, and other so-called "reportable payments" as defined by the Code paid by a U.S. paying agent or other U.S. intermediary to a non-corporate U.S. Holder may be subject to information reporting to the IRS and possible U.S. backup withholding (currently imposed at a rate of 28%). Backup withholding generally would not apply to a U.S. Holder that timely furnishes a correct taxpayer identification number and makes any other required certifications or if the U.S. Holder is otherwise exempt from backup withholding. U.S. Holders that are required to establish their exempt status generally must provide such certification on IRS Form W-9 (Request for Taxpayer Identification Number and Certification) or a substitute Form W-9.

Amounts withheld as backup withholding may be credited against the U.S. Holder's U.S. federal income tax liability. Additionally, a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding regime by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

Each U.S. Holder should consult his, her or its own financial advisor, legal counsel, or accountant regarding the information reporting and backup withholding rules.

The foregoing summary does not discuss all aspects of U.S. taxation that may be relevant to particular U.S. Holders in light of their particular circumstances and income tax situations. U.S. Holders should consult their own financial advisors, legal counsels, or accountants as to the particular tax consequences to them of the acquisition, ownership and disposition of Class A Common Shares, including the effect of any U.S. federal, state, local, foreign or other tax laws.

Certain Material Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to a beneficial holder who acquires our Class A Common Shares from a Selling Shareholder as contemplated by this prospectus.

This summary is based upon the current provisions of the Income Tax Act (Canada) and the regulations thereunder (the "Canadian Tax Act"), specific proposals to amend the Canadian Tax Act (the "Tax Proposals") which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA"). This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed in this prospectus. No assurances can be given that the Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed in this prospectus.

This summary is of a general nature only and is limited to Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder, and no representations with respect to the income tax consequences to any particular prospective Resident Holder (define below) are made. Accordingly, holders should consult their own tax advisors for advice with respect to the tax consequences to them.

This summary is not applicable to (i) a holder that is a "financial institution" (as defined for purposes of the mark-to-market rules); (ii) a holder that is a "specified financial institution"; (iii) a holder an interest in which is a "tax shelter investment"; (iv) a holder that has elected to report his, her or its "Canadian tax results" in a currency other than Canadian currency; or (v) a holder who enters into a "derivative forward agreement" with respect to the Class A Common Shares, (all as defined in the Canadian Tax Act). Additional considerations, not discussed herein, may apply to a holder that is a corporation resident in Canada, and that is, or becomes, controlled by a non-resident corporation, for purposes of the foreign affiliate dumping rules in section 212.3 of the Canadian Tax Act. Any such holders should consult their own tax advisors having regard to their particular circumstances.

Except as expressly provided, this summary does not deal with special situations, such as particular circumstances of traders or dealers in securities, tax exempt entities, insurers, and financial institutions.

For the purposes of the Canadian Tax Act, all amounts arising in respect of the Class A Common Shares must generally be translated into Canadian dollars based on the applicable noon rate quoted by the Bank of Canada for the day on which the amounts arise or another rate of exchange that is acceptable to the Minister of National Revenue (Canada).

Holders resident in Canada

This portion of the summary is applicable only to a beneficial holder who, at all relevant times, for the purposes of the Canadian Tax Act (i) is resident in Canada; (ii) deals at arm's length with, and is not affiliated with, us or any person from whom the Class A Common Shares are acquired; and (iii) holds any Class A Common Shares as capital property (a "Resident Holder"). Any Class A Common Shares will generally be considered to be capital property to a Resident Holder unless the Resident Holder holds such properties in the course of carrying on a business or has acquired them in a transaction or transactions considered to be an adventure in the nature of trade. Certain Resident Holders whose Class A Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Canadian Tax Act to have such Class A Common Shares and every other "Canadian security" (as defined by the Canadian Tax Act) owned by such Resident Holders in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders should consult their own advisors in light of their own circumstances in determining whether the Class A Common Shares will be capital property to them for purposes of the Canadian Tax Act.

Disposition of Class A Common Shares

A Resident Holder who disposes of or is deemed to have disposed of a Class A Common Share will realize a capital gain (or incur a capital loss) equal to the amount by which the proceeds of disposition in respect of the Class A Common Share exceed (or are exceeded by) the aggregate of the adjusted cost base of such Class A Common Share and any reasonable costs of disposition. In certain circumstances, the amount of any resulting capital loss must be reduced by the amount of any dividends or deemed dividends received by the Resident Holder on the Class A Common Share, to the extent and under the circumstances set forth in the detailed provisions of the Canadian Tax Act. Such capital gains and capital losses will be subject to tax in the manner described herein under the sub-heading "Capital gains and losses."

Capital gains and losses

One-half of the amount of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year generally must be included in the Resident Holder's income for that year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by a Resident Holder in a taxation year may generally be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Canadian Tax Act.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Canadian Tax Act, may be liable to pay a 6 2/3% refundable tax on his, her or its "aggregate investment income", which is defined in the Canadian Tax Act to include taxable capital gains.

Capital gains realized by a Resident Holder that is an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Canadian Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Dividends on Class A Common Shares

Dividends (including deemed dividends) received on Class A Common Shares by a Resident Holder who is an individual (and certain trusts) will be included in income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by an individual from taxable Canadian corporations. An enhanced dividend tax credit will be available in respect of "eligible dividends" (as defined in the Canadian Tax Act)

received or deemed to be received from us. Taxable dividends (including deemed dividends) received by Resident Holders that are individuals and certain trusts may give rise to alternative minimum tax under the Canadian Tax Act.

Dividends (including deemed dividends) received on Class A Common Shares by a Resident Holder that is a corporation will be included in income and normally will be deductible in computing such corporation's taxable income. However, the Canadian Tax Act will generally impose a 33 1/3% refundable tax on such dividends received by a corporation that is a "private corporation" or a "subject corporation" for purposes of Part IV of the Canadian Tax Act to the extent that such dividends are deductible in computing the corporation's taxable income.

Holders not resident in Canada

This portion of the summary is applicable to a beneficial holder who, at all relevant times for purposes of the Canadian Tax Act (i) is not resident or deemed to be resident in Canada; (ii) deals at arm's length with us; (iii) holds Class A Common Shares as capital property; and (iv) does not use or hold, and is not deemed to use or hold such shares in the course of carrying on, or otherwise in connection with, a business carried on in Canada (a "Non-Resident Holder"). Any Class A Common Shares will generally be considered to be capital property to a Non-Resident Holder unless the Non-Resident Holder holds such shares in the course of carrying on a business or has acquired them in a transaction or transactions considered to be an adventure in the nature of trade. Non-Resident Holders should consult their own advisors in light of their own circumstances in determining whether the Class A Common Shares will be capital property to them for purposes of the Canadian Tax Act. This summary does not apply to an insurer who carries on an insurance business in Canada and elsewhere.

Acquisition, holding and disposition of Class A Common Shares

Dividends on Class A Common Shares paid or credited to a Non-Resident Holder by us are subject to Canadian non-resident withholding tax at the rate of 25%, subject to a reduction of such rate under an applicable income tax convention. Where the Non-Resident Holder is a resident of the United States and is entitled to the full benefits of the Canada United States Income Tax Conversion (the "Convention"), the rate of such withholding tax is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a Non-Resident Holder that is a corporation beneficially owning at least 10% of our voting stock). Under the Convention, dividends paid by us to certain religious, scientific, charitable, certain other tax-exempt organizations and certain pension organizations that are resident in, and exempt from tax in, the United States are exempt from Canadian non-resident withholding tax. Provided that certain administrative procedures are observed regarding registration of such organizations, we will not be required to withhold such tax from dividends paid to such organizations. If qualifying organizations fail to follow the required administrative procedures, we will be required to withhold tax and the organizations will have to file with the CRA a claim for refund to recover amounts withheld.

A Non-Resident Holder will generally not be subject to tax under the Canadian Tax Act in respect of a capital gain realized on the disposition of a Class A Common Share unless the Class A Common Share constitutes "taxable Canadian property" as defined in the Canadian Tax Act at the time of the disposition. A Class A Common Share that is listed on a designated stock exchange will generally not be taxable Canadian property to a Non-Resident Holder unless at any time during the 60-month period immediately preceding the disposition (i) (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, (c) pursuant to certain Tax Proposals, a partnership in which the Non-Resident Holder or a person described in (b) held a membership interest directly or indirectly through one or more partnerships, or (d) the Non-Resident Holder together with one or more persons described in (b) and/or (c), owned 25% or more of the issued shares of any class or series of our capital stock; and (ii) more than 50% of the fair market value of the Class A Common Share was derived directly or indirectly from certain resource properties, timber resource properties, real or immovable properties situated in Canada, options or interests in such properties, or any combination thereof. In addition, in certain other circumstances set out in the Canadian Tax Act, Class A Common Shares could be deemed to be taxable Canadian property. By reason of the Convention, even if a Class A Common Share constitutes taxable Canadian property to a particular Non-Resident Holder that is entitled to

the full benefits of the Convention, no tax will generally be payable under the Canadian Tax Act on a capital gain realized on the disposition of such Class A Common Share by such Non-Resident Holder, provided that the value of such Class A Common Share at the time of disposition is not derived principally from "real property situated in Canada" as defined in the Convention.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITY

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We have not authorized any dealer, sales person or any other person to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information. This prospectus does not offer to sell or buy any securities in any jurisdiction where it is unlawful.

LEGAL MATTERS

The validity of the Class A Common Shares offered by this prospectus has been passed upon for us by Austring, Fendrick & Fairman.

EXPERTS

The consolidated financial statements, incorporated in this prospectus by reference from our annual report on Form 40-F filed with the SEC on March 25, 2013 have been audited by PricewaterhouseCoopers LLP, independent registered chartered accountants, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 8. Indemnification of Directors and Officers.

The only statutes, charter provisions, bylaws, contracts or other arrangements under which a director or officer of the Company is insured or indemnified in any manner against liability which such officer of director may incur in such capacity is Section 126 of the Business Corporations Act under the Revised Statutes of the Yukon 2002 (the "Act"), Sections 7.02 through 7.04 of our bylaws, as well as indemnity agreements between the Company and its directors and officers . Taken together, the statutory and bylaw provisions generally allow the Company to indemnify its directors or officers against liability and expenses if the officer or director seeking indemnity (a) acted honestly and in good faith with a view to the best interests of the Company, and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the officer or director had reasonable grounds for believing his conduct was lawful. Such statutory and bylaw provisions also allow officers and directors to seek indemnity if they have (i) fulfilled the requirements for (a) and (b), (ii) are fairly and reasonably entitled to indemnity, and (iii) were substantially successful on the merits in the defense of the action or proceeding. The officer and director indemnity agreements generally indemnify the directors and officers against all liabilities and expenses by reason of his/her position and are subject to the statutory and bylaw provisions noted above.

YUKON LAW

Section 126 of the Act is set forth in its entirety as follows. All capitalized terms used herein but not otherwise defined shall have the meanings as set forth in the Act.

126(1) Except in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favor, a corporation may indemnify directors or officers of the corporation, former directors or officers of the corporation or persons who act or acted at the corporation's request as directors or officers of a body corporate of which the corporation is or was a shareholder or creditor, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by them in respect of any civil, criminal or administrative action or proceeding to which they are made party because they are or have been directors or officers of that corporation or body corporate, if:

(a) they acted honestly and in good faith with a view to the best interests of the corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

(2) A corporation may with the approval of the Supreme Court indemnify persons referred to in subsection (1) in respect of an action by or on behalf of the corporation or body corporate to procure a judgment in its favor, to which they are made party by reason of being or having been directors or officers of the corporation or body corporate, against all costs, charges and expenses reasonably incurred by them in connection with the action if they fulfill the conditions set out in paragraphs (1)(a) and (b).

(3) Despite anything in this section, persons referred to in subsection (1) are entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by them in connection with the

defense of any civil, criminal or administrative action or proceeding to which they are made party because they are or have been directors or officers of the corporation or body corporate, if the person seeking indemnity:

(a) was substantially successful on the merits in the defense of the action or proceeding;

(b) fulfills the conditions set out in paragraphs (1)(a) and (b); and

(c) is fairly and reasonably entitled to indemnity.

(4) A corporation may purchase and maintain insurance for the benefit of any person referred to in subsection (1) against any liability incurred by them:

(a) in their capacity as a director or officer of the corporation, except when the liability relates to their failure to act honestly and in good faith with a view to the best interests of the corporation; or

(b) in their capacity as a director or officer of another body corporate if they act or acted in that capacity at the corporation's request, except when the liability relates to their failure to act honestly and in good faith with a view to the best interests of the body corporate.

(5) A corporation or a person referred to in subsection (1) may apply to the Supreme Court for an order approving an indemnity under this section and the Supreme Court may so order and make any further order it thinks fit.

(6) On an application under subsection (5), the Supreme Court may order notice to be given to any interested person and that person is entitled to appear and be heard in person or by counsel.

THE COMPANY'S BYLAWS

Sections 7.02 through 7.04 of our bylaws are set forth in their entirety as follows. All capitalized terms used herein but not otherwise defined shall have the meanings as set forth in our bylaws.

7.02 Limitation of Liability

Subject to the Act, no director or officer, or former director or officer, of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for the joining in any receipt or act for conformity, or for any loss or damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the money of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or with which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealing with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interest of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Any repeal or modification of the foregoing provisions of this paragraph 7.02 shall not adversely affect any limitation on the personal liability of a director or officer of the Corporation arising from an act or omission occurring prior to the time of such repeal or amendment. In addition to the circumstances in which a director or officer of the Corporation is not personally liable as set forth in the foregoing provisions of this paragraph 7.02, a director or officer shall not be liable to the Corporation or its shareholders to such further extent as permitted by any law hereafter enacted, including, without limitation, any subsequent amendment to the Act.

7.03 Indemnity

Subject to the Act, the Corporation shall indemnify a director or officer, a former director or officer, and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of

any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if:

(a) he acted honestly and in good faith with a view to the best interests of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing his conduct was lawful.

The Corporation shall indemnify the directors and officers of the Corporation to the fullest extent permitted by law. The Corporation may indemnify any employee or agent of the Corporation to the fullest extent permitted by law. In addition to the circumstances in which a director or officer of the Corporation is indemnified as set forth in the foregoing provisions of this paragraph 7.03, a director or officer shall be indemnified by the Corporation to such further extent as permitted by any law hereafter enacted, including, without limitation, any subsequent amendment to the Act.

7.04 Insurance

The Corporation may, subject to and in accordance with the Act, purchase and maintain insurance for the benefit of any director or officer, or former director or officer, of the Corporation as such against any liability incurred by him. The Corporation may provide such insurance to directors and officers regardless of whether such directors and officers are indemnified pursuant to paragraph 7.03 above.

***

The registrant also maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The directors and officers are not required to pay any premium in respect of this insurance. The policy contains various industry exclusions and no claims have been made thereunder to date.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to any charter provision, bylaw, contract, arrangement, statute or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Item 9. Exhibits.

(a) Exhibits

Exhibit Number	**Description**
4.1	Indenture, dated May 18, 2007, by and among Gold Reserve Inc., 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 Gold Reserve's Registration Statement on Form F-10 (File 333-142944) filed with the SEC on May 14, 2007.
4.2	First Supplemental Indenture, dated as of December 4, 2012, among Gold Reserve Inc., U.S. National Bank Association, as Trustee, and Computershare Trust Company of Canada, as Co-Trustee filed with the SEC on Form 6-K on December 6, 2012.
4.3	Articles of Incorporation, filed as Exhibit 3.1 to the Proxy Statement/Joint Prospectus included as part of our registration on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27,

	1998.
4.4	By-laws, filed as Exhibit 3.2 to the Proxy Statement/Joint Prospectus included as part of our registration on Form S-4 (Registration No. 333-68061) filed with the SEC on November 27, 1998.
4.5*	Registration Rights Agreement, dated as of August 27, 2013, by and among the Company, GCOF Europe S.à.r.l, GCP Europe S.à.r.l., Greywolf Capital Overseas Fund II, James K. Schuler Revocable Living Trust, James E. Mallahan, Mark and Rebecca C. Russo and Donna and Matthew Bellew.
5.1*	Form of Opinion of Austring, Fendrick & Fairman (Yukon counsel to the Company).
23.1	Consent of Austring, Fendrick & Fairman (incorporated by reference to Exhibit 5.1 to this registration statement).
23.2*	Consent of PricewaterhouseCoopers LLP.
24	Power of Attorney (previously included in the signature page to our Registration Statement on Form F-3 filed with the SEC on October 28, 2013).

* Filed herewith.

Item 10. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the registration statement is on Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Securities Act need not be furnished, provided, that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date

of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Securities Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.

(5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) (§ 230.415(a)(1)(i), (vii), or (x) of this chapter) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(6) That for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) The undersigned registrant hereby undertakes to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report, to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(e) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Spokane, State of Washington, on December 17, 2013.

GOLD RESERVE INC.

By: /s/ Rockne J. Timm

Rockne J. Timm

Chief Executive Officer

December 17, 2013

gnatures	Title	Date
Rockne J. m	Chief Executive Officer and Director	December 17, 20
kne J. m		
Robert A. Guinness	Vice President of Finance, Chief Financial Officer, and its Principal Financial and Accounting Officer	December 17, 20
ert A. Guinness		
	President and Director	December 17, 20
Douglas anger		
	Director	December 17, 20
es P. Geyer		
	Non-Executive Chairman and Director	December 17, 20
es H. eman		
	Director	December 17, 20

ick D. Chesney		
	Director	December 17, 20
is D. kelsen		
	Director	December 17, 20
Potvin		
d Reserve	Authorized Representative in the United States	December 17, 20

/s/ Mary E.
th
ne: Mary E.
th
e: Vice
sident –
ministration
Secretary

*By: /s/ Rockne J. Timm
Attorney-in-fact

Exhibit

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Exhibit Index

* Filed herewith