

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

1. If you are in any doubt as to the action you should take, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, legal advisor, accountant or other professional advisor immediately.
2. If you have disposed of all of your shares in Gold Reef Resorts Limited, this circular should be handed to the purchaser of such shares or the CSDP, broker, banker or other agent through whom such disposal was effected.



GOLD REEF
RESORTS

Gold Reef Resorts Limited

(Incorporated in the Republic of South Africa)

(Registration number 1989/002108/06)

Share code: GDF ISIN: ZAE000028338

("Gold Reef" or "the company")

Circular to shareholders

regarding

- the adoption of the First Addendum to the Gold Reef Share Scheme ("the Scheme");
- the approval of the issue of so many ordinary shares in the company ("the shares") at par so that, taking into account the existing shares held by the Scheme in the company, the Scheme can offer up to 4 million shares in the company at par to key executives and management of the company;

and incorporating

- a notice convening a general meeting of shareholders; and
 - a form of proxy (for use by holders of certificated Gold Reef shares and dematerialised Gold Reef shares with "own-name" registration only).
-

Investment bank and sponsor



Legal advisors to Gold Reef



Date of issue : 14 August 2008

CORPORATE INFORMATION

Company secretary and registered office

C R T Paul (CA)SA
Gold Reef City
Gate 4
Northern Parkway
Ormonde
Johannesburg, 2091
(Private Bag X1890, Gold Reef City, 2159)

Investment bank and sponsor

Nedbank Capital
A division of Nedbank Limited
135 Rivonia Road
Sandown, Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Legal advisors to Gold Reef

Edward Nathan Sonnenbergs Inc
150 West Street
Sandown
Sandton, 2196
(PO Box 783347, Sandton, 2146)

Transfer secretaries

Link Market Services South Africa (Proprietary) Limited
5th Floor, 11 Diagonal Street
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

ACTION REQUIRED BY GOLD REEF SHAREHOLDERS

Please take careful note of the following provisions regarding the action required by Gold Reef shareholders:

1. If you have disposed of all of your Gold Reef shares, this circular should be handed to the purchaser of such shares or to the CSDP, broker, banker, attorney or other agent through whom such disposal was effected.
2. If you are in any doubt as to what action to take, please consult your CSDP, broker, banker, attorney or other professional advisor immediately.
3. This circular contains information relating to the adoption of the First Addendum to the Scheme ("the First Addendum") and the issue of the shares at par so that, taking into account the existing shares held by the Scheme in the company, the Scheme can offer up to 4 million shares in the company at par. You should carefully read through this circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.
4. The general meeting, convened in terms of the notice incorporated in this circular, will be held at 14:00 on Wednesday, 3 September 2008, at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, 2091.
5. **If you hold dematerialised shares**
 - 5.1 "Own-name" registration

You are entitled to attend in person, or be represented by proxy at the general meeting.

If you are unable to attend the general meeting but wish to be represented thereat, you must complete and return the attached form of proxy in accordance with the instructions contained therein, to be received by the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 5th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 14:00 on Monday, 1 September 2008.
 - 5.2 Other than "own-name" registration

You are entitled to attend in person, or be represented by proxy at the general meeting. You must advise your CSDP or broker timeously if you wish to attend, or be represented at the general meeting. If you wish to attend or be represented at the general meeting, your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the general meeting.

You must **not** complete the attached form of proxy.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.
6. **If you hold certificated shares**
 - 6.1 You are entitled to attend in person, or be represented by proxy at the general meeting.
 - 6.2 If you are unable to attend the general meeting but wish to be represented thereat, you must complete the attached form of proxy in accordance with the instructions contained therein, to be received by the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 5th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 14:00 on Monday, 1 September 2008.



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("Gold Reef" or "the company")

Directors

M Krok* (*Chairman*)

S B Joffe (*Chief Executive Officer*)

A J Aaron*

B J Biyela

M G Diliza*

J C Farrant^

J S Friedman

* Non-executive

^ Independent

M Z Krok*

J Leutgeb*

Z J Matlala^

R T Moloko*

C Neuberger

P C M September*

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND RATIONALE

Shareholders are referred to the existing share incentive scheme of the company ("the Scheme"), being the current Scheme which was adopted on Thursday, 14 June 2001. Gold Reef wishes to amend certain terms and provisions of the trust deed containing the Scheme ("the Deed") and in particular the removal of the discretion granted to directors to determine the price at which an ordinary share may be offered or an option granted under the Scheme pursuant to the requirements of the stock exchange operated by JSE Limited ("the JSE"). At present, the Scheme allows for the offer of shares or the granting of options by the Scheme to employees of Gold Reef at a price being the weighted average value per ordinary share ("WAP") determined over a period of 30 trading days on the JSE immediately preceding the offer date or the option date, unless determined otherwise by the directors.

The Remuneration Committee ("Remco") of Gold Reef has determined that the inherent values in options or shares held by key executives and management of Gold Reef have either been drastically diminished or are entirely out of the money due to current economic circumstances. In addition, share price appreciation is increasingly uncertain due to various exogenous factors such as higher interest rates, higher inflation rates and the world-wide sub-prime crisis which has negatively influenced equity markets.

In view of the above, Remco after careful consideration, has determined that, in order to incentivise and retain its key executives and management, it is in the best interests of Gold Reef to instruct the Scheme to make an offer to its key executives and management to purchase shares in Gold Reef at par value of two cents each and not at the WAP under the Scheme.

In order to effect an offer at par value, certain provisions of the Scheme need to be amended, further details of which are set out in paragraph 3 below.

2. PURPOSE OF THIS CIRCULAR

The purpose of this circular is to provide shareholders with the relevant information relating to the amendment of the Scheme and the issue by Gold Reef to the Scheme of so many shares at par so that, taking into account the existing shares held by the Scheme in Gold Reef, the Scheme can offer up to 4 million shares at the par value thereof to key executives and management of Gold Reef ("the incentive proposal"), the implications thereof and to enable shareholders to make an informed decision as to whether or not they should vote in favour of the requisite resolutions necessary to amend the Scheme and approve the incentive proposal.

3. AMENDMENT TO THE SCHEME

It is proposed that the Scheme be amended by the adoption of a First Addendum to the Scheme ("the First Addendum"). The text of the First Addendum is set out in Annexure 1 to this circular.

4. THE PROPOSED ISSUE AND OFFER OF UP TO 4 MILLION SHARES IN TERMS OF THE SCHEME

Subject to the adoption of the First Addendum, it is proposed that under clause 1.4(b) of the First Addendum, the company issues so many shares to the Scheme so that, taking into account the existing shares held by the Scheme in Gold Reef, the Scheme can offer up to 4 million shares to key executives and management of Gold Reef at an issue price equal to their par value.

As part of the incentive proposal, the following shares will be offered to executive directors of Gold Reef at their par value:

Director	Number of shares
B J Biyela	192 500
J S Friedman	189 000
S B Joffe	385 000
C Neuberger	210 000
	976 500

5. LISTING OF UP TO 4 MILLION SHARES ON THE JSE

Further to obtaining the requisite shareholder approvals, details of which are set out in the notice attached to this circular, application will be made to the JSE for the approval of the listing of the number of shares required to be issued to key executives and management of Gold Reef taking into account the existing shares held by the Scheme in Gold Reef. Such application will not exceed 4 million shares.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Gold Reef:

- have considered all statements of fact and opinion in this circular;
- collectively and individually, accept full responsibility for the accuracy of the information given in this circular;
- have made all reasonable enquiries to ascertain such facts; and
- confirm that the circular contains all information required by law and the JSE Listings Requirements.

Each director of Gold Reef certifies that, to the best of his/her knowledge and belief, there are no other material facts or considerations the omission of which will make any statements in this circular false and misleading.

7. CONSENTS

Nedbank Capital (a division of Nedbank Limited) and Edward Nathan Sonnenbergs Inc have provided their written consents to act in the capacities stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular.

8. GENERAL MEETING

The notice convening the general meeting is attached to this circular. The board has convened a general meeting of shareholders of the company to be held at 14:00 on Wednesday, 3 September 2008, at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, 2091 for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions necessary to adopt and implement the amendment to the Scheme and the issue and offer of up to 4 million shares to key executives and management of Gold Reef at an issue price equal to their par value.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of Gold Reef from the date of issue of this circular up to and including the date of the general meeting:

- 9.1 a signed copy of this circular;
- 9.2 the memorandum and articles of association of Gold Reef;
- 9.3 the Deed;
- 9.4 the First Addendum; and
- 9.5 the written consents of Nedbank Capital (a division of Nedbank Limited) and Edward Nathan Sonnenbergs Inc as referred to in paragraph 7 above.

By order of the Board

C R T Paul
Company Secretary

14 August 2008

Registered address
Gold Reef City
Gate 4
Northern Parkway
Ormonde
Johannesburg, 2091

THE TEXT FROM THE FIRST ADDENDUM TO THE GOLD REEF SHARE SCHEME

"WHEREAS:

- The Gold Reef Share Scheme was adopted on 14 June 2001 (the "Scheme");
- Subsequently Gold Reef Casino Resorts Limited changed its name to Gold Reef Resorts Limited;
- The Parties wish to amend certain terms and provisions of the trust deed evidencing the Scheme on the basis as set out herein;
- Unless otherwise indicated, words and expressions defined in the Scheme shall bear the meanings so assigned to them;
- It is therefore agreed as follows:

1. AMENDMENT

With effect from the date of adoption of the resolution of the shareholders of the Company, the Deed is amended as follows:

- 1.1 the definition of "Company" in clause 1.2.6 is amended to refer to Gold Reef Resorts Limited;
- 1.2 the definition of JSE in clause 1.2.15 is amended to refer to the exchange operated by JSE Limited (Registration Number 2005/022939/06);
- 1.3 a new clause 1.2.21A is inserted to read as follows:
"Par Value" means the par value of an ordinary share being R0.02 (two cents) per ordinary share;"
- 1.4 the definition of Purchase Price in clause 1.2.22 is amended to read as follows:
"means an amount equal to:
 - (a) either the volume weighted average value per ordinary share determined over a period of 30 (thirty) trading days on the JSE (as evidenced by a confirmation provided by the Company's then sponsor) immediately preceding the offer date or the option date, as the case may be; or
 - (b) if deemed in the interests of the Company and so recommended by the directors, the par value of an ordinary share, as authorised by the Shareholders;"
- 1.5 a new clause 1.2.33A is inserted to read as follows:
"Shareholders" means the shareholders of ordinary shares in the share capital of the Company in general meeting;"
- 1.6 the following phrase is deleted in the seventh line of clause 13.1.1, being:
"... or at such other price as may be determined by the directors in terms of this Deed.";
- 1.7 a new clause 16.3A is inserted which reads as follows:
"16.3A
 - 16.3.A.1 It is acknowledged that the Purchase Price in respect of an offer or an option can either comprise the par value of a share or the volume weighted average value per share as determined over a period of 30 (thirty) trading days on the JSE immediately preceding the offer date or the option date, as the case may be.
 - 16.3.A.2 Generally the directors shall be obliged to determine the offer price or the option price to be calculated with reference to the volume weighted average price as indicated.
 - 16.3.A.3 However, if deemed in the interests of the Company, the directors may recommend to the shareholders that an offer price or an option price, as the case may be, should be equal to the par value of an ordinary share, which offer or option, as the case may be, must be authorised by the shareholders.

16.3.A.4 In proposing a resolution for the shareholders, the directors shall make full disclosure of the proposed transaction, being:

16.3.A.4.1 the total number of shares to be offered at par;

16.3.A.4.2 the number of shares that are to be offered to each executive director, on the basis that the shareholders shall be authorised to approve the departure from the general principle of having to offer shares at the volume weighted average price as indicated.”;

1.8 save as otherwise indicated, the terms and conditions of the Scheme shall remain unchanged.

2. WHOLE AGREEMENT, NO AMENDMENT

2.1 This Addendum constitutes the whole agreement between the parties relating to the subject matter hereof.

2.2 No amendment or consensual cancellation of this Addendum or any provision or term hereof or of any agreement, or other document issued or executed pursuant to or in terms of this Addendum and no settlement of any disputes arising under this Addendum and no extension of time, waiver or relaxation or suspension of any of the provisions or terms of this Addendum or of any agreement or other document issued pursuant to or in terms of this Addendum shall be binding unless recorded in a written document signed by the parties (or in the case of an extension of time, waiver or relaxation or suspension, signed by the party granting such extension, waiver or relaxation). Any such extension, waiver or relaxation or suspension which is so given or made shall be strictly construed as relating strictly to the matter in respect whereof it was made or given.

2.3 No extension of time or waiver or relaxation of any of the provisions or terms of this Addendum or any agreement, or other document issued or executed pursuant to or in terms of this Addendum, shall operate as an estoppel against any party in respect of its rights under this Addendum, nor shall it operate so as to preclude such party thereafter from exercising its rights strictly in accordance with this Addendum.

2.4 To the extent permissible by law no party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it induced the contract and/or whether it was negligent or not.



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(Registration number 1989/002108/06)

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("Gold Reef" or "the company")

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of the company will be held at 14:00 on Wednesday, 3 September 2008, at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, 2091 to consider, and if deemed fit, pass, with or without modification, the following ordinary resolutions:

ORDINARY RESOLUTION NUMBER 1

"Resolved as an ordinary resolution that the existing share incentive scheme of the company known as the Gold Reef Share Scheme approved by a resolution passed at the general meeting of the members of the company on Thursday, 14 June 2001 be amended in terms of the draft First Addendum tabled at the meeting and initialled by the chairman for identification purposes."

The principal terms of the First Addendum are that:

- all references to Gold Reef Casino Resorts Limited be amended to refer to the current name of the company, being Gold Reef Resorts Limited;
- the right of directors to determine a price for share offers and option grants different to the weighted average value per ordinary share is deleted; and
- the current scheme is amended so as to provide for the company instructing the trustees of the Gold Reef Share Scheme to make offers or grant options either at the volume weighted average value per ordinary share as determined over a period of 30 (thirty) trading days on the stock exchange operated by JSE Limited ("the JSE"), immediately preceding the offer date or the option date, as the case may be or, if recommended by the directors, at the par value of those ordinary shares if specifically approved by the shareholders of the company in general meeting. In such instance the directors must indicate the total number of shares to be offered at par and the number of shares that are to be offered to each executive director.

ORDINARY RESOLUTION NUMBER 2

"Resolved, subject to the passing of Ordinary Resolution Number 1, as an ordinary resolution that the directors of the company be and are hereby authorised in terms of section 221 and section 222 of the Companies Act, 1973 (Act 61 of 1973), as amended (as those provisions are amended, modified, re-enacted or substituted from time to time) to:

- allot and issue so many ordinary shares at their par value in the share capital of the company to the trustees of the Gold Reef Share Scheme ("the Scheme") so that, after taking into account the existing ordinary shares held by the Scheme in the company, the trustees of the Scheme can make the offer as set out below ; and
- instruct the trustees of the Scheme to make an offer of up to 4 million shares to selected key executives and management to purchase those shares from the Scheme at the par value thereof on the terms and conditions set out in the Scheme,

and that all of the ordinary shares referred to above are placed under the control of the directors for allotment and issue as described above."

The following executive directors will benefit specifically from the offer of ordinary shares at their par value, being:

Director	Number of shares
B J Biyela	192 500
J S Friedman	189 000
S B Joffe	385 000
C Neuberger	210 000
Total	976 500

Pursuant to the Listings Requirements of the JSE, the company will only be entitled to allot and issue the shares which are the subject of Ordinary Resolution Number 2 if that resolution is passed by a majority of 75% (seventy-five per cent) or more of the votes cast by all Gold Reef ordinary shareholders present or represented by proxy at the general meeting, excluding any votes which may be cast by the Scheme and by any participants in the Scheme who are also shareholders of Gold Reef, including but not limited to:

- B J Biyela;
- J S Friedman;
- S B Joffe;
- C Neuberger; and
- their associates, as defined in the Listings Requirements of the JSE.

ORDINARY RESOLUTION NUMBER 3

"Resolved as an ordinary resolution that any director of the company be and is hereby authorised to do all such things, and sign all such documents, procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to all of the ordinary resolutions which are proposed and passed at the general meeting at which this Ordinary Resolution Number 3 is proposed."

Voting and proxies

Voting on the above ordinary resolutions will be conducted by means of either a show of hands or a poll. Any member entitled to attend and vote at the general meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company. For the convenience of registered members of the company, a form of proxy is attached hereto.

The attached form of proxy is only to be completed by those shareholders who:

- hold Gold Reef ordinary shares in certificated form; or
- are recorded on the electronic sub-register in "own-name" dematerialised form.

Members who hold dematerialised shares through a CSDP or broker must either inform their CSDP or broker of their intention to attend the general meeting in order that their CSDP or broker may provide them with necessary Letter of Representation to attend the general meeting in person and vote, or, if they do not wish to attend the general meeting in person, provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Completed forms of proxy should be forwarded to reach the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 5th Floor, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) by 14:00 on Monday, 1 September 2008.

By order of the Board

C R T Paul
Company Secretary

Johannesburg
14 August 2008



GOLD REEF
RESORTS

Gold Reef Resorts Limited

(Incorporated in the Republic of South Africa)
(Registration number 1989/002108/06)
Share code: GDF ISIN: ZAE000028338
("Gold Reef" or "the company")

FORM OF PROXY

This form of proxy should only be used by shareholders who:

- hold shares in certificated form; or
- are recorded on the electronic sub-register in "own-name" dematerialised form.

(See note 1 overleaf.)

For use at the general meeting of ordinary shareholders of the company to be held at 14:00 on Wednesday, 3 September 2008, at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, 2091.

I/We

(name/s in BLOCK LETTERS)

of

(address)

being the holder(s) of ordinary shares in the share capital of the company, do hereby appoint (see note 3):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairman of the general meeting,

as my/our proxy to act for me/us at the general meeting convened for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions ("resolutions") to be proposed thereat and at each adjournment thereof and to vote for or against each of the resolutions, or to abstain from voting for or against the resolutions, in respect of the all of the above ordinary shares registered in my/our name in accordance with the following instructions:

	For	Against	Abstain
Ordinary Resolution 1: Amendment to the Gold Reef Share Scheme			
Ordinary Resolution 2: Approval for the allotment and issue of ordinary shares to the Gold Reef Share Scheme and instruction to the trustees of the Gold Reef Share Scheme to make an offer to selected executive directors and management			
Ordinary Resolution 3: Authorising any director to implement all resolutions passed at the general meeting			

Signed at _____ on _____ 2008

Signature _____

Assisted by (where applicable) _____

Each ordinary shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in place of that shareholder at the general meeting.

Please read the notes on the reverse hereof.

Notes:

1. Members who have dematerialised their shares through a CSDP or broker must either inform their CSDP or broker of their intention to attend the general meeting in order that their CSDP or broker may provide them with necessary authority to attend the general meeting in person and vote, or, if they do not wish to attend the general meeting in person, provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
2. A member may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the general meeting". The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A member's instructions to the proxy must indicate by "X" in the appropriate box provided on this form of proxy. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the member's votes exercisable at the general meeting.
4. Each member is entitled to appoint one or more proxies (none of which needs to be a member of Gold Reef) to attend, speak and vote in place of that member at the general meeting.
5. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
6. The chairman of the general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes. Forms of proxy received by way of facsimile will be acceptable.
7. The completion and lodging of this form of proxy will not preclude the member from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so. (See note 1 above.)
8. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless the chairman of the general meeting waives this requirement.
9. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered with the company.
10. Where there are joint holders of ordinary shares:
 - 10.1 any one holder may sign this form of proxy; and
 - 10.2 the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
11. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
12. Forms of proxy should be lodged with or mailed to Link Market Services South Africa (Proprietary) Limited:

Hand deliveries to:

Link Market Services South Africa (Proprietary) Limited
5th Floor, 11 Diagonal Street
Johannesburg
2001

Postal deliveries to:

Link Market Services South Africa (Proprietary) Limited
PO Box 4844
Johannesburg
2000

to be received by no later than 14:00 on Monday, 1 September 2008 (or 48 hours before any adjournment of the general meeting which date, if necessary, will be released on SENS).