

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

1. If you are in any doubt as to what action to take, please consult your stockbroker, banker, accountant, attorney or other professional adviser immediately.
2. If you have disposed of all your Gold Reef Casino Resorts Limited ("Gold Reef") shares, please forward this circular together with the attached form of proxy to the purchaser or the stockbroker, banker or agent through whom you disposed of such Gold Reef shares. If you have disposed of part of your Gold Reef shares please consult the purchaser or the stockbroker/banker or agent through whom you disposed of such Gold Reef shares.
3. If you are unable to attend the general meeting to be held at 10:00 on Monday, 30 September 2002 at the Second Floor Conference Room, Gold Reef Casino Hotel, Cnr Data and Northern Parkway Road, Ormonde, 2157 and wish to be represented thereat, you should complete the attached form of proxy in accordance with the instructions contained therein and lodge it with Gold Reef's transfer secretaries, Computershare Investor Services Limited (attention P Buys), 7th Floor, 11 Diagonal Street, Johannesburg 2001 (P O Box 1053, Johannesburg 2000) by not later than 10:00 on Thursday, 26 September 2002.
4. Dematerialised shareholders who wish to attend the general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority or carry out their instructions. This must be effected in terms of the agreement entered into between the shareholder and its CSDP or broker.



Gold Reef Casino 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 acquisition of Casinos Austria International Holding GmbH's South African assets; and
- a specific issue of 2 000 000 Gold Reef shares for cash to Casinos Austria International Holding GmbH,

and incorporating

- a notice of general meeting of shareholders; and
- a form of proxy.

**INVESTMENT BANK
AND SPONSOR**



ATTORNEYS



**CORPORATE LAW ADVISERS
AND CONSULTANTS**



**INDEPENDENT REPORTING
ACCOUNTANTS**



Date of issue: 13 September 2002

CORPORATE INFORMATION AND ADVISERS

SECRETARY AND REGISTERED OFFICE

R J Seabrook CA(SA)

Gold Reef City
Gate 4
Northern Parkway
Ormonde, 2157
(Private Bag X1890, Gold Reef City 2159)

TRANSFER SECRETARIES

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(Registration number 1958/003545/06)
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(PO Box 1053, Johannesburg 2000)

INVESTMENT BANK AND SPONSOR

Nedcor Investment Bank Limited

(Registration number 1955/003181/06)
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(PO Box 582, Johannesburg 2001)

INDEPENDENT REPORTING ACCOUNTANTS

PricewaterhouseCoopers Inc.

(Registration number 1998/012055/21)
Registered Accountants and Auditors
Chartered Accountants (SA)
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ATTORNEYS

Werksmans Inc.

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155 Fifth Street
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2196
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CORPORATE LAW ADVISERS AND CONSULTANTS

Edward Nathan & Friedland (Pty) Limited

(Registration number 1999/026464/07)
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The Forum
2 Maude Street
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DEFINITIONS

In this circular, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other genders:

“acquisition”	the acquisition of Casinos Austria’s South African assets by Gold Reef;
“Act”	the Companies Act, 1973 (Act 61 of 1973), as amended;
“Akani Egoli Management”	Akani Egoli Management (Proprietary) Limited, registration number 1996/008456/07;
“Akani Egoli”	Akani Egoli (Proprietary) Limited, registration number 1996/006910/07;
“ALI”	Akani Leisure Investments (Proprietary) Limited, registration number 1998/022583/07;
“ALMI”	Akani Leisure Msunduzi Investments (Proprietary) Limited, registration number 2001/015408/07;
“AM”	Akani Msunduzi (Proprietary) Limited, registration number 2000/015408/07;
“AMM”	Akani Msunduzi Management (Proprietary) Limited, registration number 1998/004328/07;
“business day”	any day other than a Saturday, Sunday or official South African public holiday;
“CAI Gold Reef”	CAI Gold Reef Management (Proprietary) Limited, registration number 1998/024893/07;
“Casinos Austria”	Casinos Austria International Holding GmbH, registration number 37681p;
“Casinos Austria’s South African assets”	Casinos Austria’s assets held in South Africa as fully set out in paragraph 2 of this circular;
“certificated shareholders”	shareholders who hold certificated shares;
“certificated shares”	shares, other than dematerialised shares;
“CGT”	capital gains tax;
“conditions precedent”	the conditions precedent set out in paragraph 6 of this circular;
“controlling shareholders”	the Krok family, holding in aggregate 62,02% of the shares in Gold Reef (most of which are held through Twintech Holdings (Proprietary) Limited and Consolidated Rand Parts (Proprietary) Limited), before the transaction and 51,7% after the transaction;
“CRP”	Consolidated Rand Parts (Proprietary) Limited, registration number 1961/000028/07;
“CSDP”	a Central Securities Depository Participant;
“dematerialised shareholders”	shareholders holding dematerialised shares;
“dematerialised shares”	those shares that have been dematerialised through a CSDP or broker and are held on the company’s sub-register of members in electronic form;
“directors”	the board of directors of Gold Reef, whose names appear in paragraph 9 of this circular;
“document(s) of title”	share certificate(s), transfer deed(s) or forms, balance receipts or any other documents of title acceptable to Gold Reef in respect of Gold Reef shares;
“general meeting”	a general meeting of shareholders to be held at 10:00 on Monday, 30 September 2002 at the Second Floor Conference Room, Gold Reef Casino Hotel, Cnr Data and Northern Parkway Road, Ormonde, 2157;
“Gold Reef share(s)” or “share(s)”	ordinary shares in Gold Reef with a par value of 2 cents each;
“Gold Reef shareholder(s)” or “shareholder(s)”	the registered holders of Gold Reef shares;
“Gold Reef” or “company”	Gold Reef Casino Resorts Limited, registration number 1989/002108/06;
“group”	Gold Reef and its subsidiaries and associated companies;
“issue price”	the price at which Casinos Austria will subscribe for the subscription shares, being R3,00 per Gold Reef share;
“JSE”	the JSE Securities Exchange South Africa;
“last practicable date”	the last practicable date prior to the finalisation of this document, being Friday, 30 August 2002;
“net asset value”	the estimated net asset value of Gold Reef at 31 December 2001 being R3,20 per share;
“pro rata repurchase”	the pro rata repurchase of 8% of Gold Reef’s shares at R3,00 per share, proposed in the Gold Reef results announcement dated 20 March 2002;
“resolutions”	the ordinary resolutions to be proposed at the general meeting;
“specific issue”	the specific issue for cash to Casinos Austria of 2 000 000 Gold Reef shares at an issue price of R3,00 per share;
“STC”	secondary taxation on companies;
“subscription shares”	the 35 600 000 shares in Gold Reef for which Casinos Austria will subscribe at the issue price, to be discharged by a cash payment of R6 000 000 in terms of the specific issue and the transfer to Gold Reef of Casinos Austria’s South African assets;
“the transaction”	jointly the acquisition and the specific issue;
“this circular”	this bound document dated 13 September 2002, including the notice of a general meeting of shareholders and the form of proxy attached hereto;
“transfer secretaries”	Computershare Investor Services Limited, registration number 1958/003546/06;
“Twintech”	Twintech Holdings (Proprietary) Limited, registration 1959/034298/07; and
“WCL”	West Coast Leisure (Proprietary) Limited, registration number 1994/005194/07.

SALIENT DATES AND TIMES

	2002
• Circular mailed to shareholders Friday,	<i>13 September</i>
• Last day to lodge form of proxy for the general meeting of shareholders by 10:00 on Thursday,	<i>26 September</i>
• General meeting held at 10:00 on Monday,	<i>30 September</i>
• Results of general meeting published on or about Tuesday,	<i>1 October</i>
• Listing of shares issued in terms of the specific issue on the JSE, expected on or about Tuesday,	<i>1 October</i>

Notes:

- 1. The above dates and times are subject to amendment. Any such amendment will be published in the press and on the Stock Exchange News Service.*
- 2. Copies of this circular may be obtained from Gold Reef and the transfer secretaries at the addresses set out on the inside cover.*

Gold Reef Casino Resorts Limited
(Incorporated in the Republic of South Africa)
(Registration number 1989/002108/06)
Share code: GDF ISIN ZAE000028338

DIRECTORS

AJ Aaron*, JS Friedman, SB Joffe, RJ Khoza*, M Krok (Chairman)*,
MZ Krok*, BJ Schutte, A Krok**, S Krok**

* Non-executive directors

** Alternate directors

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

As set out in the announcements published on 7 March 2002 and 3 September 2002, Gold Reef has entered into an agreement with Casinos Austria to introduce Casinos Austria as a significant strategic shareholder in Gold Reef with effect from 1 January 2002, subject to the fulfilment of certain conditions precedent.

The purpose of this circular is to provide shareholders with the relevant information regarding the transaction and to convene the general meeting to approve the specific issue which forms part of the transaction.

2. DETAILS OF THE TRANSACTION

Casinos Austria will subscribe for 35 600 000 Gold Reef ordinary shares at the issue price. The issue price represents a premium of 31,6% to the closing price of Gold Reef ordinary shares on 6 March 2002, the date immediately before the transaction was announced.

The subscription consideration payable by Casinos Austria will be discharged through a cash payment of R6 000 000 and the transfer of Casinos Austria's South African assets to Gold Reef, for an aggregate consideration of R100 800 000, as set out below:

- 11.9% of the issued preference share capital of ALL, a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an economic interest of 4,16% in Akani Egoli which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALL, for R23 503 291;
- 10% of the issued ordinary share capital of AM, (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM for R8 906 662;
- 20% of the issued preference share capital of ALMI, a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners (equivalent to an economic interest of 7% in AM) and all claims which Casinos Austria may have against ALMI for R11 735 595;
- 26,66% of the issued ordinary share capital of WCL (which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL for R8 153 124;
- 50% of the issued ordinary share capital of CAI Gold Reef, and all claims which Casinos Austria may have against CAI Gold Reef, including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse Casino management

contracts, and an effective 75% interest in the Gold Reef City Casino management contract) for R48 501 326;

- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management for R1; and
- all of the issued ordinary shares in and all claims which Casinos Austria may have against AMM for R1.

(collectively "Casinos Austria's South African assets").

The effective date of the acquisition is 1 January 2002. Casinos Austria will subscribe for the 2 000 000 Gold Reef ordinary shares, referred to above, for R6 000 000 in cash in terms of the specific issue as detailed in paragraph 6 of this circular.

3. RATIONALE AND PROSPECTS

Gold Reef's ongoing strategic objective is to consolidate the ownership of its underlying investments in one company and to introduce the existing investors in the underlying investments as long-term strategic shareholders in Gold Reef.

The transaction will further consolidate Gold Reef's interests in Gold Reef City Casino, Casino Mykonos and Golden Horse Casino and will increase its effective interest in the management contracts of these casinos. Casinos Austria currently holds 1 562 238 Gold Reef shares. The transaction will allow Casinos Austria to consolidate its South African assets through acquiring an additional 16,7% shareholding in Gold Reef, increasing its total shareholding in Gold Reef to 17,5%.

The introduction of Casinos Austria as a strategic shareholder will enable Gold Reef and Casinos Austria through their respective expertise in developing, structuring and financing of major casino complexes and knowledge and expertise in casino management, both locally and internationally, to continue to actively pursue, obtain and develop further casino projects and management contracts domestically and internationally.

4. SALIENT INFORMATION ON GOLD REEF

4.1. Nature of business

Gold Reef is a gaming and entertainment company. Its investments include Akani Egoli, which operates Gold Reef City Casino and Theme Park, AM, which operates the Golden Horse Casino and WCL which operates Casino Mykonos. Gold Reef also owns 50% of CAI Gold Reef, a joint venture with Casinos Austria to provide management to the group's own projects as well as independent operations in Sub-Saharan Africa.

4.2. Share capital

The authorised and issued share capital of Gold Reef on the last practicable date was as follows:

	Before R'000	After R'000
Authorised		
590 000 000 ordinary shares of 2 cents each	11 800	11 800
Issued		
<i>Before the transaction</i>		
177 941 830 ordinary shares of 2 cents each	3 559	
<i>After the transaction</i>		
213 541 830 ordinary shares of 2 cents each		4 271
Share premium	359 366	465 454
Share capital and premium	362 925	469 725

4.3. Material changes

There has been no material change in the financial or trading position of Gold Reef subsequent to the publication of the audited results for the twelve months ended 31 December 2001.

4.4. Major shareholders

As at the last practicable date the interests of shareholders holding 5% or more of the issued share capital of Gold Reef were as follows:

Name	%	Number of ordinary shares
Twintech Holdings (Proprietary) Limited	29,57	52 609 282
Consolidated Rand Parts (Proprietary) Limited	26,44	47 048 368
PLJ Financial Services	8,89	15 811 967
SE Nominees	5,99	10 653 780
SCMB Custody Account	5,80	10 317 433

A register of beneficial interest in securities maintained in terms of section 140A of the Act is available for inspection at the company's registered office.

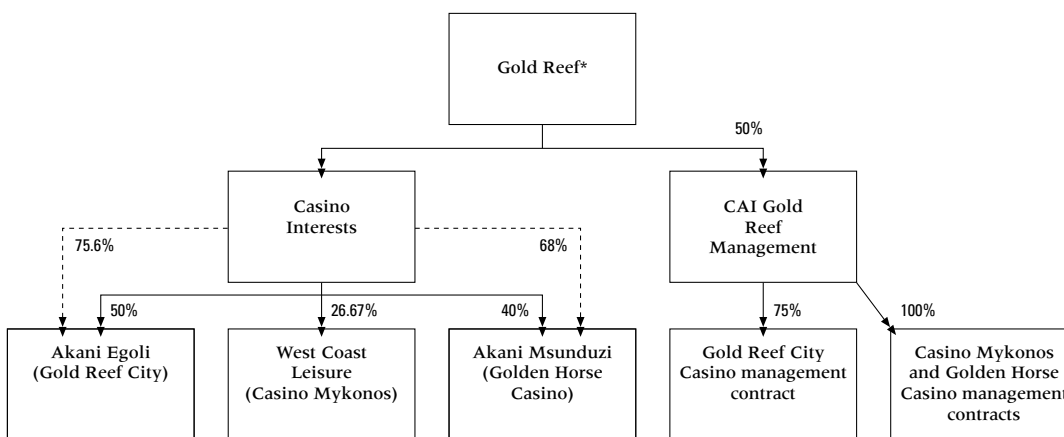
Save as indicated above, the directors are not aware of the existence of any shareholder who holds in excess of 5% of the issued share capital of Gold Reef.

4.5. Trading history

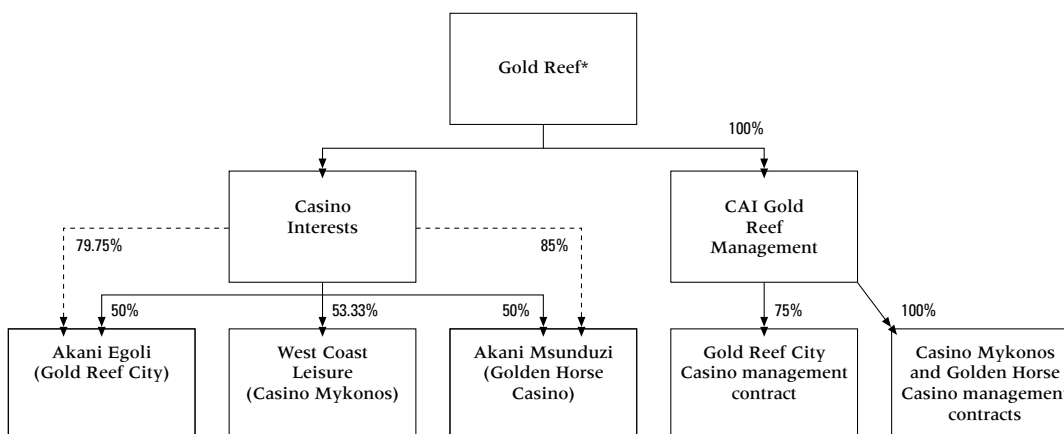
Annexure 3 to this circular sets out the trading history of Gold Reef shares on the JSE.

5. GROUP STRUCTURE

The current group structure is as follows:



The resultant group structure post the acquisition will be as follows:



Akani Egoli Management and AMM are not included in this diagram as they are only conduit companies in the management organogram and they have no inherent value within the group

- - - - -> denotes shareholding
- > denotes economic interest
- * listed on the JSE

6. SPECIFIC ISSUE OF SHARES FOR CASH

6.1. Terms of the specific issue

Casinos Austria will subscribe for 2 000 000 Gold Reef shares at R3,00 per share in terms of the specific issue, as one indivisible transaction together with the acquisition. The Gold Reef shares issued in terms of the specific issue will rank *pari passu* in all respects with the Gold Reef shares in issue at the date of the specific issue. The resolution whereby the necessary authority will be granted is contained in the attached notice of general meeting.

6.2. Suspensive conditions

The transaction is subject to the fulfilment of a number of suspensive conditions by 31 December 2002. As at the last practicable date, the only outstanding conditions precedent to the transaction are:

- approval of the Competition Commission to the extent required; and
- Gold Reef shareholders approving the specific issue in general meeting.

Confirmation has been sought from the Competition Commission's approval. A ruling is expected shortly. As soon as a ruling is received, a further announcement will be made. Shareholder approval will be sought at the general meeting, notice of which is attached to this circular.

6.3. Contemplated offer for Gold Reef

Gold Reef has been notified that a consortium including the controlling shareholders and Casinos Austria is contemplating making an offer to acquire the assets and assume the liabilities of Gold Reef for a consideration equivalent to R3,25 per share ("the acquisition consideration") on or about 31 October 2002. Transaction costs and secondary taxation on companies on the distribution of the acquisition consideration, estimated at 5 cents per share, would result in an effective take out consideration of approximately R3,20 per share.

6.4. Use of proceeds

Gold Reef intends to use the proceeds received pursuant to the specific issue to further develop its various casinos and reduce the external debt in the group.

7. FINANCIAL EFFECTS OF THE TRANSACTION

7.1 The unaudited pro forma financial effects are provided for illustrative purposes only, to show the effect of the transactions on Gold Reef. Because of their nature, the unaudited pro forma financial effects may not give a fair reflection of Gold Reef's financial position nor the effect on income going forward. An independent reporting accountants' report has been prepared on the pro forma financial effects, the full text of which is included in Annexure 4.

The pro forma financial effects on Gold Reef of the transaction based on the published results of Gold Reef for the year ended 31 December 2001 to show the effect on earnings and financial position assuming the transaction had been effected on 1 January 2001 and 31 December 2001 respectively, are as follows:

	Audited Before the transaction ¹	Pro forma After the transaction	Percentage change
Net asset value per share (cents) ²	320,0	316,1	(1,2%)
Net tangible asset value per share (cents) ²	310,0	289,1	(6,7%)
Headline earnings per share (cents) ³	46,7	43,1	(7,7%)
Earnings per share (cents) ³	46,7	41,6	(10,9%)

Notes:

1. Extracted from the audited annual financial statements of Gold Reef for the year ended 31 December 2001.
2. Adjusted to reflect the effect of the consolidation of Akani Egoli Management, AMM, CAI Gold Reef, WCL and the elimination of the equity accounted interests in these entities, as well as the increase in the measure of equity accounting for the interest in Akani Egoli and AM.
3. Adjusted to effect the assumption that the offer consideration was utilised to reduce the group's external debt at the prime lending rate.

7.2 Headline earnings per share and earnings per share are lower on a pro forma basis for the following reasons:

- the pro forma financial effects include only 4 months trading for the Golden Horse Casino;
- the pro forma financial effects include pre-opening expenses in respect of the Golden Horse Casino; and
- the pro forma financial effects include receipts from a management contract with Golden Horse Casino for only 4 months.

The pro forma balance sheet and income statement of Gold Reef included in Annexure 2 sets out the effects of consolidating entities previously not consolidated into the group financial statements of Gold Reef and that will in future be consolidated. It also shows the effect of entities that are currently not consolidated and that will not be consolidated as a result of the transaction.

8. PRO RATA REPURCHASE

Shareholders are referred to the *pro rata* repurchase of 8% of Gold Reef's shares at R3,00 per share, proposed in the Gold Reef announcement dated 20 March 2002. As set out in paragraph 6.3 above, Gold Reef has been notified of a potential transaction which would have a material effect on the Gold Reef share price if successfully concluded. Gold Reef accordingly advised its shareholders to exercise caution when dealing in shares until a further announcement is made. The company may not, in terms of the JSE Listing Requirements, proceed with the *pro rata* share repurchase while it is trading under cautionary. The *pro rata* repurchase will be placed on hold until on or about 31 October 2002 by which stage the consortium has agreed to give an indication as to whether or not the potential transaction referred to in paragraph 6.3 is likely to be proposed. If Gold Reef is informed that the consortium will not be pursuing the potential transaction or if the potential transaction is proposed and not accepted, the *pro rata* repurchase will be effected.

9. DIRECTORS AND DIRECTORS' INTERESTS

9.1. Directors

The names, ages, qualifications, occupations and business addresses of the directors of Gold Reef are set out below:

Name, age and qualifications	Business address	Occupation
AJ Aaron (70)* <i>B.Com, LLB</i>	155 Fifth Street Sandown Sandton 2196	Attorney Non-executive director of Gold Reef Attorney and non-executive director of various companies and trustee of various trusts
JS Friedman (29) <i>CA (SA)</i>	Gold Reef City Gate 4 Northern Parkway Ormonde, 2157	Financial director of Gold Reef Director of Akani Msunduzi Management
SB Joffe (31) <i>B.Com Hons (Taxation) H. Dip (Company Law), CA(SA)</i>	Gold Reef City Gate 4 Northern Parkway Ormonde, 2157	Chief executive officer of Gold Reef Director of several companies within the Gold Reef group
RJ Khoza (52)* <i>BA Hons (Psych) MA (Marketing) (Lancaster U.K) PMD (Harvard) DP (Lousanne)</i>	Ground Floor Kingston House Hampton Office Park 20 Georgean Crescent Bryanston	Businessman Non-executive director of Gold Reef Chairman of Akani Egoli Chairman of Eskom Director of various other companies
A Krok (73)**	Summer Place 69 Melville Road Hyde Park	Businessman Alternate director of Gold Reef Director of various other companies
M Krok (45)* <i>B.Proc, LLB</i>	Summer Place 69 Melville Road Hyde Park	Businessman Chairman of Gold Reef Director of various other companies
MZ Krok (45)*	Summer Place 69 Melville Road Hyde Park	Businessman Non-executive director of Gold Reef Director of various other companies
S Krok (73)**	Summer Place 69 Melville Road Hyde Park	Businessman Alternate director of Gold Reef Director of various other companies
BJ Schutte (55)	19 Bundo Road Sebenza	Businessman Executive director of Gold Reef and Managing director of Gold Reef City Theme Park

* Non-executive directors

** Alternate directors

9.2. Directors' interests

As at the last practicable date the aggregate interests of directors in the ordinary issued share capital of Gold Reef were as follows:

	Beneficial		Non-beneficial		% held
	Direct	Indirect	Direct	Indirect	
AJ Aaron	-	-	-	57 682 582	32,4
JS Friedman	-	-	-	46 000	0,03
SB Joffe	897 436	-	-	115 300	0,6
RJ Khoza	27 500	27 500	-	-	0,03
A Krok	88 762	-	-	57 682 582	32,5
M Krok	2 330	14 647 150*	-	43 035 432*	32,6
	-	356 138	-	-	
MZ Krok	55 900	8 152 377**	-	43 969 291**	29,3
S Krok	47 134	-	-	52 121 668	29,3
BJ Schutte	-	15 811 966	-	-	8,9

* Included in shareholding held non-beneficially by AJ Aaron and A Krok

**Included in shareholding held non-beneficially by S Krok

No director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of Gold Reef and which was effected by Gold Reef and which remains in any respect outstanding or under-performed. No payment has been made to any director that is unusual in nature. There will be no variance in directors' remuneration as a result of the transaction.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The directors collectively and individually accept full responsibility for the accuracy of the information given in this circular and certify that, to the best of their knowledge and belief, there are no material facts the omission of which would make any statement in this circular false or misleading and that they have made all reasonable enquiries to ascertain such facts.

11. LITIGATION STATEMENT

Gold Reef is not involved in, nor is it aware of, any material legal or arbitration proceedings which are pending or threatened and which may have, or have had, in the 12 month period preceding the date of this circular, a material effect on the financial position of Gold Reef.

12. OPINIONS AND RECOMMENDATIONS

The directors are of the opinion that the terms and conditions of the specific issue are fair and recommend that shareholders vote in favour of the resolutions. The directors are furthermore of the opinion that the working capital available to the company will be sufficient for its requirements for a period of at least 12 months after the date of this circular. The directors who hold shares in Gold Reef and who do not form part of the controlling shareholders intend voting in favour of such resolutions in respect of all of the shares owned by them.

13. CONSENTS

The investment bank and sponsor, corporate law advisors and consultants, attorneys, independent reporting accountants and transfer secretaries to Gold Reef have all provided their written consents to act in the capacity stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular.

14. GENERAL MEETING AND SHAREHOLDER APPROVAL

14.1. General meeting

A general meeting of shareholders will be held at 10:00 on Monday, 30 September 2002 at the Second Floor Conference Room, Gold Reef Casino Hotel, Cnr Data and Northern Parkway Road, Ormonde, 2157 in order to consider and, if deemed fit, pass, with or without modification, the resolutions.

Certificated shareholders who are unable to attend the general meeting and who wish to be represented thereat should complete the form of proxy in accordance with the instructions contained therein and lodge it with the transfer secretaries by no later than 10:00 on Wednesday, 25 September 2002.

Dematerialised shareholders who wish to attend the general meeting or vote by proxy must contact their CSDP or broker who will provide them with the necessary authority or carry out their instructions. This must be effected in terms of the agreement entered into between the shareholder and its CSDP or broker.

14.2. Shareholder approval

In accordance with paragraph 5.68 of the Listing Requirements of the JSE the specific issue is subject to approval by ordinary resolution passed by at least 75% of shareholders present or represented by proxy at the general meeting and entitled to vote, excluding controlling shareholders, their associates and parties acting in concert with them.

15. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Gold Reef during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of this circular up to and including Monday, 30 September 2002:

15.1. a copy of the signed agreement for the acquisition of Casinos Austria's South Africa assets and specific issue of shares for cash by Gold Reef;

15.2. the memorandum and articles of association of Gold Reef;

15.3. the annual financial statements of Gold Reef for the 12 months ended 31 December 2001;

15.4. the 3 year historical financial information of Akani Egoli Management, AMM, WCL and CAI Gold Reef (or the shorter period where trading for less than 3 years);

15.5. a signed copy of this circular;

15.6. the consent letters referred to in 13;

15.7. the independent reporting accountants' report on the pro forma financial effects of the transaction; and

15.8. the independent reporting accountants' report on the reports of historical financial information of Akani Egoli Management, AMM, WCL and CAI Gold Reef.

For and on behalf of the directors of

GOLD REEF CASINO RESORTS LIMITED

Per: R Seabrook CA(SA)

Company Secretary

Johannesburg

13 September 2002

ANNEXURE 1

HISTORICAL FINANCIAL INFORMATION OF GOLD REEF

INCOME STATEMENT

For the year ended 31 December 2001

	Note	2001 R'000	2000 R'000
Net operating profit	2	64 092	51 186
Taxation	5	17 077	17 881
Net profit after taxation		47 015	33 305
Share of results in associates		35 792	28 742
<i>Akani Egoli - (Gold Reef City)</i>		37 595	26 177
<i>Akani Msunduzi- (Golden Horse)</i>		(3 840)	-
<i>West Coast Leisure - (Casino Mykonos)</i>		(955)	-
<i>CAI Gold Reef Management</i>		2 992	2 565
Profit attributable to shareholders		82 807	62 047
Number of shares in issue (000)		177 262	177 262
Weighted average number of shares in issue (000)		177 262	152 854
Earnings per share (cents)	6	46.7	40.6
Headline earnings per share (cents)	6	46.7	40.4
Diluted earnings per share (cents)	6	46.5	40.6

BALANCE SHEET

As at 31 December 2001

	Note	2001 R'000	2000 R'000
ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	8	188	102
Investment in associates	9	538 196	445 652
Available-for-sale investments	10	2	500
Loan to share incentive trust	11	7 406	7 406
Deferred taxation	12	111	-
		545 903	453 660
<i>Current assets</i>			
Receivables and prepayments	13	1 140	2 461
Cash and cash equivalents	14	45 801	97 462
		46 941	99 923
Total assets		592 844	553 583
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Ordinary share capital	19	3 545	3 545
Share premium	19	357 340	357 340
Non-distribution reserves		14 120	15 885
Retained earnings		192 344	110 287
Total shareholders' funds		567 349	487 057
<i>Current liabilities</i>			
Payables	16	6 799	6 395
Provisions	15	-	6 818
Bank overdraft	14	14 582	35 438
Tax liabilities		4 114	17 875
		25 495	66 526
Total liabilities		25 495	66 526
Total equity and liabilities		592 844	553 583

CASH FLOW STATEMENTS*For the year ended 31 December 2001*

	Note	2001 R'000	2000 R'000
CASH FLOW FROM OPERATING ACTIVITIES			
Net operating profit	20.1	64 092	51 186
Non-cash items and other adjustments	20.1	(56 339)	(52 789)
Cash flow from trading activities		7 753	(1 603)
(Increase)/decrease in working capital	20.1	(5 093)	291
Cash flow from operating activities		2 660	(1 312)
Net interest received		56 903	55 178
Taxation paid	20.2	(30 949)	(15 323)
Net cash generated by operating activities		28 614	38 543
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(177)	-
Investment in associates		(2 377)	(20 000)
Other investments		(2)	-
Net cash utilised in investing activities		(2 556)	(20 000)
CASH FLOW FROM FINANCING ACTIVITIES			
Ordinary shares issued		-	909
Share premium raised		-	98 997
(Advances)/repayment in loans to associates		(56 863)	43 752
Loans advanced to share incentive trust		-	(7 406)
Net repayment made on non-interest bearing borrowings		-	(92 500)
Net repayment made on amount owing to subsidiaries		-	-
Net cash (utilised in)/generated by financing activities		(56 863)	43 752
Net (decreased)/ increase in cash and cash equivalents		(30 805)	62 295
Cash and cash equivalents at the beginning of the year		62 024	(271)
Cash and cash equivalents at the end of the year		31 219	62 024

STATEMENT OF CHANGES IN EQUITY*For the year ended 31 December 2001*

	Note	2001 R'000	2000 R'000
SHARE CAPITAL			
	19		
Ordinary shares			
- at the beginning of the year		3 545	2 636
- ordinary shares issued		-	909
- at the end of the year		3 545	3 545
SHARE PREMIUM			
	19		
- at the beginning of the year		357 340	258 343
- share premium raised		-	98 997
- at the end of the year		357 340	357 340
Total share capital at the end of the year		360 885	360 885
NON-DISTRIBUTABLE RESERVES			
At the beginning of the year		15 885	17 650
NDR released		(1 765)	(1 765)
At the end of the year		14 120	15 885
RETAINED EARNINGS			
At the beginning of the year		110 287	48 240
Net income for the year		82 807	62 047
Prior year adjustment		(750)	-
At the end of the year		192 344	110 287

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

1. ACCOUNTING POLICIES

1.1. Basis of preparation

The group annual financial statements have been prepared using the historical cost concept, except where disclosed in the accounting policies below, and in accordance with Statements of Generally Accepted Accounting Practice and the Companies Act, 1973. The principal accounting policies of the group set out below are consistent in all material aspects with those adopted in the previous year.

In 2001 the group adopted AC 133: Financial instruments: Recognition and measurement. Further information is disclosed in the accounting policies and in the notes to the group annual financial statements.

1.2. Group accounting

1.2.1. *Subsidiary undertakings*

Subsidiary undertakings, which are those entities in which the group has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

1.2.2. *Associate undertakings*

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the group generally has been between 20% and 50% of the voting rights, or over which the group has significant influence, but which it does not control. The group's investment in associated undertakings carrying the amount of the investment in an associated undertaking reaching zero, unless the group has incurred obligations or guaranteed obligations in respect of the associated undertaking.

1.3. Property, plant and equipment

All property, plant and equipment is included at cost. Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the assets over their expected useful lives. The expected useful lives are as follows:

Furniture, fittings and office equipment	5 years
Computer equipment and software	3 years

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in net operating profit.

1.4. Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired undertaking at the date of acquisition. Goodwill on acquisitions of associated undertakings is included in investments in associated undertakings. Goodwill is amortised using the straight-line method over its estimated useful life. Goodwill is generally amortised over 10 years.

1.5. Investments

At 1 January 2001 the group adopted AC 133 and classified its investments into the following categories: trading, held-to-maturity and available-for-sale. Investments that are acquired principally for the purpose of generating a profit from short-term

fluctuations in price are classified as trading investments and included in current assets. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets; during the period the group did not hold any investments in trading and held-to-maturity investments. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value, whilst held-to-maturity investments are carried at amortised cost using the effective yield method. Realised and unrealised gains and losses arising from changes in the fair value of trading investments and of available-for-sale investments are included in the income statement in the period in which they arise.

Prior to the adoption of AC 133 the group has recorded its marketable securities at fair value.

1.6. Trade receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

1.7. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks, net of bank overdrafts.

1.8. Deferred taxation

Deferred taxation is provided, using the liability method, for all temporary differences arising between tax bases of assets and liabilities and their carrying value for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.9. Employee benefits

Pension obligations

The group operates a defined contribution plan. The group's contribution to the defined contribution provident plan is charged to the income statement in the period to which the contribution relates.

1.10. Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave to the employees up to the balance sheet date. This provision has been included in payables in the balance sheet.

1.11. Revenue recognition

Revenues earned by the group are recognised on the following basis:

- Interest income - as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt)
- Dividend income - when the shareholder's right to receive payment is established

1.12. Casino license application costs

Casino licence application costs are capitalised and amortised over the period that future economic benefits are expected to flow to the enterprise. Casino licence application costs are recognised as an expense to the extent that such expenditure is not expected to have future benefits.

1.13. Segmental reporting

No segmental information has been provided as the group operates in one segment only.

1.14. Financial instruments

The group adopted AC 133 - Financial Instruments: Recognition and Measurement, at 1 January 2001. The financial effect of adopting AC 133 is displayed in note 18.

2. NET OPERATING PROFIT

	2001 R'000	2000 R'000
The following items have been charged/credited in arriving at net operating profit:		
Depreciation on property, plant and equipment:		
- owned	91	54
Amortised of intangible assets		
- goodwill on associates	1 738	1 500
- NDR released	(1 765)	(1 765)
Auditors remuneration		
- audit fees: current year	124	78
- other services	77	163
	201	241

3. STAFF COSTS

Wages and salaries	2 294	2 074
Pension costs - defined contribution plan	151	134
	2 445	2 208

Average weekly number of persons employed by the group during the year:

- Full time (individuals)	8	6
- Part time (individuals)	-	1

4. FINANCE COSTS

Interest income		
- bank	6 239	5 553
- other investments	54 952	55 652
	61 191	61 205
Interest expense		
- bank loans and overdrafts	4 288	6 027
Net finance income	56 903	55 178

5. TAXATION

Current tax	17 188	17 881
Deferred tax	(111)	-
	17 077	17 881

The tax on the group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:

Standard rate	30%	30%
Adjusted for:		
Exempt income	(5.3%)	(1.5%)
Non-deductible expenses	2.1%	6.4%
	26.8%	34.9%

	2001	2000
	R'000	R'000
6. EARNINGS PER SHARE		
Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue during the year.		
Basic earnings per share		
Profit attributable to shareholders (R'000)	82 807	62 047
Weighted average number of ordinary shares in issue (000)	177 262	152 854
Total number of ordinary shares in issue (000)	177 262	177 262
Basic earnings per share (cents)	46.7	40.6
Diluted earnings per share		
For the diluted earnings per share, the weighted average number of ordinary share in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The company has only 1 category of dilutive potential ordinary shares:		
Shares to be issued to the promoters of Golden Horse Casino, equal to 680 000 ordinary Gold Reef Casino Resorts Limited shares at R3 per share.		
Profit attributable to shareholders (R'000)	82 807	62 047
Weighted average number of ordinary shares in issue (000)	177 262	152 854
Adjusted for :		
Shares to be issued to Promoters	680	-
	177 942	152 854
Diluted earnings per share (cents)	46.5	40.6

	Profit before tax R'000	Taxation R'000	Headline 2001 R'000	Headline 2000 R'000
Profit attributable to shareholders	99 884	(17 077)	82 807	62 047
Amortisation of goodwill	1 738	-	1 738	1 500
NDR realised	(1 765)	-	(1 765)	(1 765)
	99 857	(17 077)	82 780	61 782
Headline earnings per share (cents)			46.7	40.4

7. DIVIDENDS PER SHARE

No dividends were declared during the year.

	Furniture, Fittings and Office equipment	Computer Equipment and Software	Total

8. PROPERTY, PLANT AND EQUIPMENT

Net opening book value as at 1 January 2000	117	39	156
Additions	-	7	7
Disposals	-	(7)	(7)
Depreciation	(32)	(22)	(54)
Net closing book value as at 31 December 2000	85	17	102
Additions	-	177	177
Disposals	-	-	-
Depreciation	(30)	(61)	(91)
Net closing book value as at 31 December 2001	55	133	188
As 31 December 2000			
Cost	158	39	197
Accumulated depreciation	(73)	(22)	(95)
Net book value	85	17	102
At 31 December 2001			
Cost	158	216	374
Accumulated depreciation	(103)	(83)	(186)
Net book value	55	133	188

	2001 R'000	2000 R'000
9. INVESTMENT IN ASSOCIATES		
Investment in associates	90 446	61 815
Share of results in associates	35 792	28 742
At the end of the year	126 238	90 557
Loans to associates	411 958	355 095
	538 196	445 652
Investments in associated undertakings at 31 December 2001 included goodwill of R14 138 450, net of accumulated amortised goodwill of R3 237 550 (2000: R13 499 550, net of accumulated amortised goodwill of R1 499 950)		
Reconciliation		
Balance at the beginning of the year	445 652	442 162
Adjustment to opening balance	(750)	-
Investment in associates	2 377	20 000
Share of results in associates	35 792	28 742
Loans raised / (repaid) during the year	56 863	(43 752)
Goodwill written off	(1 738)	(1 500)
Closing carrying value	538 196	445 652
Closing carrying value is broken down as follows:		
Akani Egoli	409 100	396 369
Akani Msunduzi	99 702	19 554
West Coast Leisure	6 837	8 514
CAI Gold Reef Management	22 557	21 215
Closing carrying value	538 196	445 652
The loans to associates are made up as follows:		
Akani Egoli (1)	302 013	326 877
Akani Msunduzi (2)	101 403	19 554
West Coast Leisure (3)	8 542	8 514
CAI Gold Reef Management (4)	-	150
	411 958	355 095

(1) The loan to Akani Egoli bears interest at prime for the first R294 000 000, thereafter at prime plus 2%.

(2) The loan to Akani Msunduzi bears interest at prime for the first R88 000 000, thereafter at prime plus 2%.

(3) The load to West Coast Leisure is interest free.

(4) The loan to CAI Gold Reef Management is interest free.

The directors value the shares in associates at their carrying value in the financial statements.

The following information relates to the company's interest in its associates:

Name	Number of shares held	Proportion owned	Economic interest	Nature of business
Akani Egoli (Pty) Limited	50 000	50.00%	75.60%	Gaming and entertainment
Akani Msunduzi (Pty) Limited	40	40.00%	68.00%	Gaming and entertainment
West Coast Leisure (Pty) Limited	26 667	26.67%	26.67%	Gaming and entertainment
CAI Gold Reef Management (Pty) Limited	50	50.00%	50.00%	Management of casino interests

Note: No value has been placed on the casino licences currently held by Akani Egoli (Pty) Ltd, Akani Msunduzi (Pty) Ltd and West Coast Leisure (Pty) Ltd.

All companies were incorporated in the Republic of South Africa.

The trading results of the associate companies whose results are equity accounted in the financial statements are as follows:

	2001	2000
	R'000	R'000
Revenue	545 249	412 548
Earnings before interest, taxation, depreciation and amortisation	218 968	173 064
Total associate companies' retained income for the year	46 485	39 755
The aggregate balance sheets of associates are summarised as follows:		
Property, plant and equipment	1 035 073	811 513
Intangible assets	26 359	11 777
Deferred taxation	5 261	-
Cash	32 173	15 862
Total assets	1 098 866	839 152
Long term liabilities	(397 550)	(325 950)
Shareholders' loans	(503 465)	(405 507)
Net current liabilities*	(84 678)	(43 726)
Deferred taxation	(7 994)	(5 307)
Total shareholders' funds	105 179	58 662

* Net current liabilities excludes cash and includes the current portion of long term liabilities.

10. AVAILABLE FOR-SALE INVESTMENTS

At the beginning of the year	500	3 100
Disposals	-	-
Additions	2	-
Fair value adjustments	(500)	(2 600)
At the end of the year	2	500

Available-for-sale investments are fair valued annually at the close of business on 31 December 2001. For investments traded in active markets, fair value is determined by reference to the JSE Securities Exchange SA quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments.

Available-for-sale investments are classified as non-current assets unless they are expected to be realised within twelve months of the balance sheet date or unless they will need to be sold to raise operating capital. All investments held at 31 December 2001 were non-current.

The following represents the group's breakdown of available-for-sale investments:

Name	Number of shares held	Market value/ Directors' valuation	Nature of business
Afribrand Limited *	14 442 888	-	Food Distribution
Sekunjalo Health Care Limited	500 000	-	Healthcare
Akani Leisure Investments (Pty) Limited **	13 600	136	Investment Holding
Akani Egoli Management (Pty) Limited	372	372	Management of Gold Reef City Casino
Akani Leisure Msunduzi Investments (Pty) Limited **	800	800	Investment Holding
Akani Msunduzi Management (Pty) Limited	359	359	Management of Golden Horse Casino

* During 2001 Afribrand Limited was placed in liquidation and its shares suspended on the JSE Securities Exchange SA. The carrying value of this investment had been written down to nil in prior years.

** The shareholding in these companies comprises preference shares only.

	2001	2000
	R'000	R'000
11. LOAN TO SHARE INCENTIVE TRUST		
Loan to Share Incentive Trust	7 406	7 406
During the prior year, the Gold Reef Share Scheme was established. 5 925 000 shares were issued to the scheme for R7 406 250.		
The weighted average interest rate on the loan to the share incentive trust was:	0%	0%
12. DEFERRED TAXATION		
Deferred taxation is calculated in full on temporary differences under the liability method using a principle tax rate of 30% (2000 :30%)		
At the beginning of the year	-	-
Income statement credit	111	-
At the end of the year	111	-
The deferred tax asset has arisen due to a timing difference on the provision for leave pay. No other timing differences exist.		
13. RECEIVABLES AND PREPAYMENTS		
Trade receivables	1 039	2 461
Other receivables	101	-
	1 140	2 461
The group has no significant concentration of credit risk.		
14. CASH AND CASH EQUIVALENTS		
Cash at bank	45 800	97 461
Cash on hand	1	1
	45 801	97 462
For the purpose of the cash flow statement the year end cash and cash equivalents comprise the following:		
Bank balances	45 800	97 461
Cash on hand	1	1
Bank overdrafts	(14 582)	(35 438)
	31 219	62 024
		Provision for debt restructuring
15. PROVISIONS		
At 31 December 2000		6 818
Utilised during the year		(250)
Unused amounts reversed		(6 568)
At 31 December 2001		-
<i>Restructuring</i>		
In the prior year a decision was taken by the board to restructure the group's debt. A merchant bank was approached to assist management with the restructuring. During 2001 the board resolved not to continue with the restructuring as the proposed structure was regarded as too tax aggressive.		
	2001	2000
	R'000	R'000
16. PAYABLES		
Trade payables	215	2 553
Accrued expenses	770	3 581
Interest rate swaps (Note 17)	3 557	-
Other payables	2 257	261
	6 799	6 395

17. FINANCIAL INSTRUMENTS

The group adopted AC 133 at 1 January 2001. In accordance with AC 133, the comparative financial statements for the year ended 31 December 2000 are not restated.

Objectives and significant terms and conditions

In order to manage the risks arising from fluctuations in interest rates, the group makes use of the following derivative financial instruments:

Interest rate swaps

The group has entered into an interest rate swap contract that entitles it to receive interest at a variable rate on a notional principal amount and obliges it to pay interest at a fixed rate on the same amount. The interest rate swap allows the group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if they borrowed at fixed rates directly.

Under the interest rate swap, the group agrees with the other party to exchange, at specific intervals (quarterly), the difference between the fixed rate interest amount and the floating rate interest amount, calculated by reference to the agreed notional principal amount.

At 31 December 2001, the fixed interest rate was 10.7% and the floating rate was 9.935%.

	2001 R'000	2000 R'000
The following terms and notional principal amount of the outstanding interest rate swap contract at 31 December 2001 was:		
Less than 1 year	400 000	-

Net fair values

The net fair value of the group's derivative financial instrument at the balance sheet date was:

Unfavourable interest rate swap contract	3 557	-
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The fair value of the interest rate swap has been calculated (using rates quoted by the group's bankers) to terminate the contract at the balance sheet date.

Credit risk

The company and group did not have any significant concentration of credit risk. Derivative instruments are entered into and cash is placed with substantial financial institutions. The credit exposure of derivatives is represented by the net fair value of the contracts, as disclosed above.

Fair values

The carrying amounts of the following financial liabilities approximate their fair value:

Cash, investments, trade receivables and payables, other receivables and payables, loans to associates and short term borrowings. Information on the fair value of interest rate swaps have been included above.

Available-for-sale investments: Amounts reported in the income statement.

Fair value losses	500	2 600
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18. CONTINGENCIES

The group has bounded itself as surety for associates Akani Egoli (Pty) Ltd, Akani Msunduzi (Pty) Ltd and West Coast Leisure (Pty) Ltd to their bankers for 100%, 40% and 26,67% of their exposure respectively. The contingent liability under these sureties amounted to R351 932 000 (2000: R323 723 000).

19. SHARE CAPITAL

	Number of shares R'000	Ordinary shares R'000	Share premium R'000	Total R'000
At 1 January 2000	131 807	2 636	258 343	260 979
Issue of shares				
- Issue for the purchase of Gold Reef City Theme Park	39 530	791	91 709	92 500
- Issue of the share incentive trust	5 925	118	7 288	7 406
At 31 December 2000	177 262	3 545	357 340	360 885
Issue of shares				
- No shares were issued during 2001	-	-	-	-
At 31 December 2001	177 262	3 545	357 340	360 885

The total authorised number of ordinary shares is 590 000 000 (2000 :590 000 000) with a par value of 2 cents per share (2000: 2 cents per share). All issued shares are fully paid up.

	2001 R'000	2000 R'000
20. CASH FLOW INFORMATION		
20.1. Net operating profit	64 092	51 186
Adjusted for:		
Non-cash items	(56 339)	(52 789)
- Net interest received	(56 903)	(55 178)
- Depreciation	91	54
- Fixed assets scrapped at book value	-	-
- Goodwill written off	1 738	1 500
- NDR realised	(1 765)	(1 765)
- Other non-cash flow items	500	2 600
(Increase)/decrease in working capital	(5 093)	291
- Decreased/(increase) in receivables	1 321	(423)
- (Decrease)/increase in payables and provisions	(6 414)	714
	2 660	(1 312)
20.2. Taxation paid		
Tax liability at the beginning of the year	(17 875)	(15 317)
Current taxation	(17 188)	(17 881)
Tax liability at the end of the year	4 114	17 875
	(30 949)	(15 323)

21. RELATED PARTY TRANSACTIONS

The following transactions were carried out with the following related parties:

21.1. Purchase of goods

Empire Amusement Parks	765	-
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Empire Amusement Parks is owned by the Krok and Schutte families in equal proportions.

BJ Schutte, S Krok, A Krok, M Krok and MZ Krok are all directors of Gold Reef Casino Resorts Limited.

A management fee is paid to Empire Amusement Parks for services rendered in the performance of the management of Gold Reef City Theme Park (Pty) Ltd. This transaction was carried out on commercial terms and conditions and was approved by the board.

21.2. Loans from related parties

Loan from Cullinan Hotel and Leisure Group		
Balance at the beginning of the year	17 294	17 498
Repayment of loan during the year	-	(204)
Balance at the end of the year	17 294	17 294

After acquisition, Cullinan Hotel and Leisure Group advanced a loan to Gold Reef Casino Resorts. The loan was written off against the investment once Cullinan Hotel and Leisure Group had disposed of a large portion of its asset base.

21.3. Directors' remuneration

A listing of members of the board of directors is shown on page 7 of the circular.

Executive Directors

Salaries	894	600
Provident fund contributions	63	76
Performance bonuses	628	345
Other services	80	-
	1 665	1 021

Non-executive directors

Fees	122	84
Other services	140	-
	262	84
	1 927	1 105

No directors have service contracts with a notice period in excess of one year.

No directors have service contracts containing predetermined compensation for termination of service exceeding one year's salary and benefits.

21.4. Loans to associated undertakings

Refer to Note 9 for the detail of the loans to associated undertakings.

21.5. Share options granted to directors

No share options were granted to the directors of the company during the year, except for those issued out of the Gold Reef Share Scheme.

In the prior year, 5 925 000 shares were issued to the Gold Reef Share Scheme.

21.6. Commitments and contingencies

The company has bound itself as surety for its associates Akani Egoli (Pty) Ltd, Akani Msunduzi (Pty) Ltd and West Coast Leisure (Pty) to their bankers for 100%, 40% and 25,57% of their exposure respectively.

The contingent liability under these sureties amounted to R351 932 000 (2000: R323 723 000).

- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management (Pty) Limited for R1; and
- all of the issued ordinary shares in a and all claims which Casinos Austria may have against Akani Msunduzi Management (Pty) Limited for R1.

22. POST BALANCE SHEET EVENT

On 7 March 2002, the group announced its intention to introduce Casinos Austria as a significant, strategic shareholder in Gold Reef Casino Resorts Limited, with effect from 1 January 2002, through a combination of the acquisition of Casinos Austria's South Africa assets and a specific issue of ordinary shares for cash.

Details for the transaction:

Casinos Austria will subscribe for 35 600 000 GRCR ordinary shares at R3,00 per share.

The subscription consideration payable by Casinos Austria will be discharged through a cash payment of R6 000 000 and the transfer of Casinos Austria's South African assets to GRCR, as set out below:

- 11.9% of the issued preference share capital of Akani Leisure Investments (Pty) Limited (ALI), a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an economic interest of 4,16% in Akani Egoli (Pty) Limited which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALI, for R23 503 291;
- 10% of the issued ordinary share capital of Akani Msunduzi (Pty) Limited (AM), (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM for R8 906 662;
- 20% of the issued preference share capital of Akani Leisure Msunduzi Investments (Pty) Limited (ALM), a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners (equivalent to an economic interest of 7% in AM) and all claims which Casinos Austria may have against ALM for R11 735 595;
- 26,66% of the issued ordinary share capital of West Coast Leisure (Pty) Limited (WCL) (Which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL for R8 153 124;
- 50% of the issued ordinary share capital of CAI Gold Reef Management (Pty) Limited (CAI Gold Reef), and all claims which Casinos Austria may have against CAI Gold Reef, including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse Casino management contracts, and an effective 75% interest in the Gold Reef City Casino management contract) for R48 501 326;

ANNEXURE 2

PRO FORMA FINANCIAL INFORMATION ON THE TRANSACTION

Set out below are the unaudited pro forma balance sheet and income statement of Gold Reef after the transaction, as described in paragraph 2 of this circular, based on the published audited consolidated annual financial statements of Gold Reef at 31 December 2001. The unaudited pro forma balance sheet and income statement are provided for illustrative purposes only to show the effect of the transaction as if it occurred on 1 January 2001 and 31 December 2001, respectively and because of its nature may not give a fair reflection of the financial position nor the effect of income of Gold Reef going forward. The pro forma balance sheet and income statement have been compiled from the audited consolidated annual financial statements of Gold Reef for the year ended 31 December 2001 adjusted as described in note 2 to 4 below:

BALANCE SHEET

As at 31 December 2001

	Audited Before¹ R'000	Adjustment² R'000	Adjustment³ R'000	Adjustment⁴ R'000	Pro forma After R'000
NON CURRENT ASSETS					
Goodwill	-	-	33 352	-	33 352
Leasehold improvements	-	21 722	-	-	21 722
Property, plant and equipment	188	15 903	-	-	16 091
Intangible asset	-	6 689	-	-	6 689
Investment in associate	538 196	-	(12 394)	44 146	569 948
Available-for-sale investments	2	-	-	-	2
Receivables	7 406	10 709	-	-	18 115
Deferred Taxation	111	-	-	-	111
	545 903	55 023	20 958	44 146	666 030
CURRENT ASSETS					
Inventory	-	490	-	-	490
Receivables and prepayments	1 140	11 185	-	-	12 325
Cash and cash equivalents	45 801	14 297	-	6 000	66 098
	46 941	25 972	-	6 000	78 913
Total Assets	592 844	80 995	20 958	50 146	744 943
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Ordinary share capital	3 545	3	378	334	4 260
Share Premium	357 340	-	56 276	49 812	463 428
Non-distributable reserves	14 120	(25)	-	-	14 095
Retained earnings	192 344	16 036	(17 289)	-	191 091
Total Shareholders' funds	567 349	16 014	39 365	50 146	672 874
Minority interest	-	-	(2 983)	-	(2 983)
NON-CURRENT LIABILITIES					
Interest bearing borrowings	-	18 894	-	-	18 894
Shareholders loan	-	28 428	(16 695)	-	11 733
	-	47 322	(16 695)	-	30 627
CURRENT LIABILITIES					
Payables	6 799	9 651	-	-	16 450
Provisions	-	907	-	-	907
Liability for donations	-	-	1 271	-	1 271
Bank overdraft	14 582	1 096	-	-	15 678
Tax liabilities	4 114	3 049	-	-	7 163
Short term portion of loan	-	2 956	-	-	2 956
	25 495	17 659	1 271	-	44 425
Total liabilities	25 495	64 981	(15 424)	-	75 052
Total equity and liabilities	592 844	80 995	20 958	50 146	744 943

Notes:

1. Extracted from the audited consolidated annual financial statements of Gold Reef at 31 December 2001.
2. Adjustment to reflect the effect of the acquisition of Akani Egoli Management (Proprietary) Limited, Akani Msunduzi Management (Proprietary) Limited, West Coast Leisure (Proprietary) Limited and CAI Gold Reef Management (Proprietary) Limited.
3. Adjustment to effect the reversal of the previously equity accounted interests in associates relating to the companies listed in note 2, the consolidation entries for these companies.
4. Adjustment to effect the increase in equity accounted earnings of 4.16% in Akani Egoli (Proprietary) Limited and 17% in Akani Msunduzi (Proprietary) Limited with the effect of the additional purchase consideration and the effect of the specific share issue

INCOME STATEMENT

For the year ended 31 December 2001

	Audited Before ¹ R'000	Adjustment ² R'000	Adjustment ³ R'000	Adjustment ⁴ R'000	Pro forma After R'000
Turnover	-	79 948	-	-	79 948
Net operating profit	64 092	6 039	(29)	5 098	75 200
Taxation	(17 077)	(3 613)	(992)	(1 529)	(23 211)
Net profit after taxation	47 015	2 426	(1 021)	3 569	51 989
Share of results in associates	35 792	-	(2 037)	1 109	34 864
Akani Egoli (Gold Reef City)	37 595	-	-	2 069	39 664
Akani Msunduzi (Golden Horse)	(3 840)	-	-	(960)	(4 800)
West Coast Leisure (Casino Mykonos)	(955)	-	955	-	-
CAI Gold Reef Management	2 992	-	(2 992)	-	-
Minority interest	-	-	1 671	-	1 671
Profit attributable to shareholders	82 807	2 426	(1 387)	4 678	88 524
Retained income at the beginning of the year	110 287	13 610	-	-	123 897
Prior year adjustment	(750)	-	-	-	(750)
Retained income adjustment to equity accounted earnings	-	-	(503)	1 440	937
Retained income at the end of the year	192 344	16 036	(1 890)	6 118	212 608
Number of shares in issue	177 262				212 862
Weighted average number of shares in issue (000)	177 262				212 862
Earnings per share (cents)	46.7				41.6
Diluted earnings per share (cents)	46.5				41.5
Headline earnings per share (cents)	46.7				43.1

Notes:

1. Extracted from the audited consolidated annual financial statements of Gold Reef at 31 December 2001.
2. Adjustment to reflect the effect of the acquisition of Akani Egoli Management (Proprietary) Limited, Akani Msunduzi Management (Proprietary) Limited, West Coast Leisure (Proprietary) Limited and CAI Gold Reef Management (Proprietary) Limited.
3. Adjustment to effect the reversal of previously equity accounted earnings relating to the companies listed in note 2 and the consolidation entries of these companies.
4. Adjustment to effect the increase in equity accounted earnings of 4.16% in Akani Egoli (Proprietary) Limited and 17% in Akani Msunduzi (Proprietary) Limited and the effect of the specific share issue.

ANNEXURE 3

SHARE PRICE HISTORY OF GOLD REEF

The recent trading history of the shares of Gold Reef on the JSE is set out below.

The high, low and closing price of Gold Reef's ordinary shares on the JSE, and the aggregated quarterly volume traded since 1 July 2000 were as follows:

Quarter ended	High <i>(cents per share)</i>	Low <i>(cents per share)</i>	Close <i>(cents per share)</i>	Volume <i>(shares)</i>
September-00	180	115	157	5 361 741
December-00	170	135	168	6 519 372
March-01	193	140	185	3 209 545
June-01	260	176	236	3 853 950
September-01	280	223	240	3 284 695
December-01	265	220	240	2 181 269
March-02	265	225	252	1 966 516
June-02	275	230	254	3 600 850

The high, low and closing price of Gold Reef's ordinary shares on the JSE, and the aggregated monthly volume traded since 1 September 2001 were as follows:

Quarter ended	High <i>(cents per share)</i>	Low <i>(cents per share)</i>	Close <i>(cents per share)</i>	Volume <i>(shares)</i>
30 Sep 01	280	223	240	1 450 875
31 Oct 01	260	224	260	1 462 067
30 Nov 01	265	236	255	494 753
31 Dec 01	255	220	240	224 449
31 Jan 02	250	235	236	325 690
28 Feb 02	245	225	235	492 446
31 Mar 02	265	225	252	1 148 380
30 Apr 02	265	245	250	1 585 651
31 May 02	260	240	255	499 109
30 June 02	275	230	254	1 516 090
31 July 02	260	220	250	1 447 149
30 Aug 02	250	225	250	540 789

The high, low and closing price of Gold Reef's ordinary shares on the JSE for each trading day commencing from 1 August 2002 to the last practicable date, and the daily trading volume are as follows:

Date	High <i>(cents per share)</i>	Low <i>(cents per share)</i>	Close <i>(cents per share)</i>	Volume <i>(shares)</i>
1 August	250	250	250	20 300
2 August	250	250	250	136 887
5 August	250	250	250	50 000
6 August	250	250	250	-
7 August	250	230	250	10 480
8 August	245	230	230	18 330
12 August	225	225	225	16 831
13 August	230	225	225	17 691
14 August	250	225	250	19 851
15 August	250	250	250	-
16 August	250	250	250	-
19 August	250	250	250	-
20 August	250	225	250	31 140
21 August	250	230	240	20 000
22 August	240	240	240	26 821
23 August	235	225	235	89 212
26 August	235	230	230	5 000
27 August	250	250	250	67 000
28 August	250	250	250	1 246
29 August	250	250	250	10 000
30 August	250	250	250	-

ANNEXURE 4

INDEPENDENT ACCOUNTANT'S REPORT ON THE PRO FORMA INFORMATION AND FINANCIAL EFFECTS

10 September 2002

The Directors
Gold Reef Casino Resorts Limited
Gold Reef City
Northern Parkway
ORMONDE
2091

Gentlemen

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA BALANCE SHEET, INCOME STATEMENT AND FINANCIAL EFFECTS OF GOLD REEF CASINO RESORTS LIMITED ("GOLD REEF") AFTER ACCOUNTING FOR THE PROPOSED ACQUISITION OF CASINO AUSTRIA INTERNATIONAL HOLDING GMBH'S ("CASINOS AUSTRIA") SOUTH AFRICAN ASSETS ("THE AQUISITION") AND THE SPECIFIC ISSUE FOR CASH OF 2 000 000 GOLD REEF ORDINARY SHARES TO CASINO AUSTRIA ("THE SPECIFIC ISSUE") (COLLECTIVELY "THE TRANSACTION").

1. INTRODUCTION

We report on the unaudited pro forma balance sheet, income statement and financial effects set out in annexures 2 and in paragraph 7.1, respectively, of the circular to Gold Reef shareholders to be dated on or about 13 September 2002. The unaudited pro forma balance sheet, income statement and financial effects have been prepared for illustrative purposes to provide information about how the transaction might have affected the shareholders of Gold Reef. Because of their nature, the unaudited pro forma balance sheet, income statement and financial effects may not give a fair reflection of Gold Reef's financial position nor the effect of income going forward.

At your request, and for purposes of the transaction, we present our report on the unaudited pro forma balance sheet, income statement and financial effects of Gold Reef in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

2. RESPONSIBILITIES

The directors of Gold Reef are solely responsible for the preparation of the unaudited pro forma balance sheet, income statement and financial effects to which this independent reporting accountants' report relates, and for the financial statements and financial information from which it has been prepared.

It is our responsibility to form an opinion on the unaudited pro forma balance sheet, income statement and financial effects and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma balance sheet, income statement and financial effects beyond that owed to those to whom those reports were addressed at their dates of issue.

3. BASIS OF OPINION

Our work, which did not involve any independent examination of any of the underlying financial information, consisted primarily of agreeing the unadjusted financial information to the published consolidated annual financial results of Gold Reef for the year

ended 31 December 2001, considering the evidence supporting the adjustments to the unaudited pro forma balance sheet, income statement and financial effects, recalculating the amounts based on the information obtained and discussing the unaudited pro forma balance sheet, income statement and financial effects with the directors of Gold Reef.

Because the above procedures do not constitute either an audit or a review made in accordance with statements of South African Auditing Standards, we do not express any assurance on the fair presentation of the unaudited pro forma balance sheet, income statement and financial effects.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with statements of South African Auditing Standards, other matters might have come to our attention that would have been reported to you.

4. OPINION

In our opinion:

- the unaudited pro forma balance sheet, income statement and financial effects have been properly compiled on the basis stated;
- such basis is consistent with the accounting policies of Gold Reef; and
- the adjustments are appropriate for the purposes of the unaudited pro forma balance sheet, income statement and financial effects, as disclosed.

Yours faithfully

PricewaterhouseCoopers Inc.

Chartered Accountants (SA)
Registered Accountants and Auditors
Sunninghill

ANNEXURE 5

HISTORICAL INFORMATION OF AKANI EGOLI MANAGEMENT (PROPRIETARY) LIMITED

1. INTRODUCTION

Gold Reef Casino Resorts Limited ("Gold Reef") is proposing to acquire a 25,3% interest in Akani Egoli Management (Proprietary) Limited ("Akani Egoli Management") from Casinos Austria International Holding GmbH ("Casinos Austria"). This will result in Akani Egoli Management becoming a subsidiary of Gold Reef.

The historical financial information set out in this report presents the business of Akani Egoli Management.

2. COMMENTARY ON THE FINANCIAL INFORMATION OF AKANI EGOLI MANAGEMENT

Financial year ended 31 December 1999

This was the first year of operation of the company. This company is a conduit for management fees received and paid between associated casino operations. A portion of the fees is retained in the company to cover certain administration expenses and the remainder is donated to appropriate organisations at the discretion of the directors of the company. These donations are made in terms of the application for the Gold Reef City Casino licence.

During the year R2 million in fees was retained in the company and R1 million spent on administration costs and donations. The remainder, after tax charges, is available for donations in future years. The company's shareholders have no beneficial interest in the retained income of the company.

Financial year ended 31 December 2000

Net fees retained increased to R5,1 million due to increased revenue at Gold Reef City Casino. Expenditure and donations increased to R4,0 million. After interest expenses and tax there was profit distributable for donations of R226 000.

Financial year ended 31 December 2001

During the year fees retained in the company increased to R6,4 million in line with revenue increases at Gold Reef City Casino. Expenditure and donations increased to R5,7 million and after interest income and tax there was a deficit for the year of R129 000.

3. BASIS OF PREPARATION

The financial information of the company has been extracted and compiled from the audited financial statements of Akani Egoli Management for the years ended 31 December 2000 and 2001. PricewaterhouseCoopers Inc acted as auditors to Akani Egoli Management throughout this period and reported without qualification for these periods.

4. FINANCIAL INFORMATION

BALANCE SHEET

as at 31 December

	Notes	2001 R'000	2000 R'000	1999 R'000
ASSETS				
<i>Non-current assets</i>				
Property, plant and equipment	6	105	16	8
<i>Current assets</i>				
Receivables and prepayments	7	3 235	14 028	6 885
Cash and cash equivalents	8	297	729	638
Total assets		3 637	14 773	7 531
EQUITY AND LIABILITIES				
<i>Capital and reserves</i>				
Ordinary share capital	9	1	1	1
Retained earnings		1 118	1 247	1 021
Total shareholders' funds		1 119	1 248	1 022
<i>Current liabilities</i>				
Trade and other payables	10	2 122	12 676	5 965
Tax liabilities		396	849	544
Total liabilities		2 518	13 525	6 509
Total equity and liabilities		3 637	14 773	7 531

INCOME STATEMENT*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000	1999 R'000
Management fee income		23 664	18 727	8 841
Management fee expense		(17 268)	(13 648)	(6 420)
Operating income		6 396	5 079	2 421
Operating expenses		(5 684)	(4 001)	(1 131)
Operating profit	2	712	1 078	1 290
Net finance income/(costs)	3	112	(1)	5
Net operating profit		824	1 077	1 295
Taxation	4	(953)	(851)	(537)
Net (loss)/profit for the year		(129)	226	758

STATEMENT OF CHANGES IN EQUITY*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000	1999 R'000
Share capital				
Ordinary shares				
- at beginning of year	9	1	1	1
- ordinary shares issued		-	-	-
- at end of year		1	1	1
Retained earnings				
At beginning of year		1 247	1 021	263
Net (loss)/profit for the year		(129)	226	758
At end of year		1 118	1 247	1 021

CASH FLOW STATEMENT*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000	1999 R'000
Cash flow from operating activities				
Net operating profit		824	1 077	1 295
Non cash items and other adjustment		(82)	4	(5)
Cash flows from trading activities		742	1 081	1 290
Decrease/(increase) in working capital		239	(432)	(515)
Cash flow from operating activities	12.1	981	649	775
Net interest received/(paid)		112	(1)	5
Tax paid	12.2	(1 406)	(546)	(134)
Net cash (utilised)/generated in operating activities		(313)	102	646
Cash flows from investing activities				
Acquisition of property, plant and equipment		(119)	(11)	(8)
Net cash used in investing activities		(119)	(11)	(8)
Cash flow from financing activities		-	-	-
Net (decrease)/increase in cash and cash equivalents		(432)	91	638
Cash and cash equivalents at beginning of year		729	638	-
Cash and cash equivalents at end of year		297	729	638

NOTES TO THE FINANCIAL INFORMATION

for the year ended 31 December

1. BASIS OF PREPARATION

The annual financial statements have been prepared on the historical cost basis. The following are the principal accounting policies used by the company, which are consistent with those of the previous year.

Revenue recognition

Revenue comprises of management fees received and are recognised on the accrual basis in accordance with the substance of the relevant agreement.

Financial instruments

Investments in financial assets are initially recognised at cost. Financial liabilities are recognised at the original debt less principal repayments and amortisation's. Disclosures about financial instruments to which the company is a party are provided in note 11.

Taxation

Taxation is provided at current rates on the net income before tax for the year after taking into account income and expenditure, which are not subject to taxation.

Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation. Depreciation is recorded by a charge to income on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The estimated useful lives are as follows:

Office equipment	5 years
Computer equipment	3 years

	2001 R'000	2000 R'000	1999 R'000
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2. INCOME/(LOSS) FOR THE YEAR

The following items have been charged/ credited in arriving at operating profit/loss:

Income:

Fee income received from Akani Egoli (Pty) Ltd	23 664	18 727	8 841
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Expenses:

Management and incentive fee	18 438	14 023	6 420
Donations	2 520	1 481	495
Auditors remuneration			
Audit fees - current year	12	12	11
Depreciation			
Office equipment	4	2	-
Computer equipment	16	1	-
Motor vehicle	10	-	-
Marketing and promotions	221	-	-

3. FINANCE COSTS

Interest paid	(1)	(3)	-
Interest income	113	2	5
Net finance income/(cost)	112	(1)	5

4. TAX

Current tax

- current year	953	851	537
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The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:

	%	%	%
Standard rate	30,0	30,0	30,0
Exempt income			
Non-deductible expenses	91,7	49,0	11,5
Donation deduction	(6,1)	-	-
	115,6	79,0	41,5

5. Dividends per share

No dividends were declared during the year.

	Motor vehicles	Office equipment	Computer equipment	Total
6. PROPERTY, PLANT AND EQUIPMENT				
Year ended 31 December 2001				
Opening net book value	-	5	11	16
Additions	57	17	45	119
Depreciation	(10)	(4)	(16)	(30)
Closing net book value	47	18	40	105
Year ended 31 December 2000				
Opening net book value	-	8	-	8
Additions/(disposals)	-	(1)	12	11
Depreciation	-	(2)	(1)	(3)
Closing net book value	-	5	11	16
Year ended 31 December 1999				
Opening net book value	-	-	-	-
Additions	-	8	-	8
Depreciation	-	-	-	-
Closing net book value	-	8	-	8
		2001	2000	1999
		R'000	R'000	R'000
7. RECEIVABLES AND REPAYMENTS				
Trade receivables		3 087	13 936	6 884
Sundry receivables		148	92	1
		3 235	14 028	6 885
8. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand		297	729	638
For the purpose of the cash flow statement the year end cash and cash equivalents comprise the following:				
Bank balances		297	729	638
9. SHARE CAPITAL				
Authorised				
10 000 ordinary shares at R0.01 each				
(1999 & 2000: 10 000 ordinary shares at R0.01 each)				
		1	1	1
Issued				
10 000 ordinary shares at R0.01 each				
(1999 & 2000: 10 000 ordinary shares at R0.01 each)				
		1	1	1
10. TRADE AND OTHER PAYABLES				
Trade payables		1 957	11 584	669
Sundry payables		165	1 092	5 296
		2 122	12 676	5 965
11. FINANCIAL INSTRUMENTS				
Credit Risk				
The company has no significant concentration of credit risk.				
Fair values				
The carrying amounts of the financial liabilities approximate their fair value.				

	2001	2000	1999
	R'000	R'000	R'000
12. CASH FLOW INFORMATION			
12.1. Income/(loss) for the year			
Net operating profit	824	1 077	1 295
Adjusted for:			
- Net interest (received)/paid	(112)	1	(5)
- Depreciation	30	3	-
- Decrease/(increase) in receivables	10 793	(7 143)	(5 537)
- (Decrease)/increase in payables and provisions	(10 554)	6 711	5 022
Decrease/(increase) in working capital	239	(432)	(515)
	981	649	775
12.2. Taxation paid			
Balance at beginning of the year	(849)	(544)	(141)
Amount charged in the income statement	(953)	(851)	(537)
Balance unpaid at end of the year	396	849	544
	(1 406)	(546)	(134)

13. Related party transactions

The following transactions were carried out with the following related parties:

Transactions with related parties

Management fee received from Akani Egoli (Pty) Ltd	23 664	18 727	8 841
Management fee paid to Akani Casino Management (Pty) Ltd	(17 268)	(12 637)	-
Management fee paid to Casinos Austria International Holding GmbH	-	(1 011)	(6 420)
Management fee paid to Akani Leisure Investments (Pty) Ltd	1 170	375	-
Amounts owing by Akani Egoli (Pty) Ltd	3 087	13 709	6 884
Amounts owing to Casinos Austria International Holding GmbH	-	-	(5 296)
Amounts owing to Akani Casino Management (Pty) Ltd	(1 945)	(11 584)	-
Directors' remuneration			
<i>Executive directors</i>			
Salaries	-	330	468
Directors' fees	111	70	-
	111	400	468

14. CONTINGENCIES COMMITMENTS

There were no contingencies and commitments at year-end.

15. POST BALANCE SHEET EVENTS

Casinos Austria International Holding GmbH has agreed to acquire a 16,7% stake in Gold Reef Casino Resorts Limited and will transfer its stake of 25,3% in the company for R1.

This transaction will result in the company becoming a subsidiary of Gold Reef Casino Resorts Limited.

ANNEXURE 6

INDEPENDENT ACCOUNTANT'S REPORT ON THE HISTORICAL INFORMATION OF AKANI EGOLI MANAGEMENT (PROPRIETARY) LIMITED

10 September 2002

The Directors
Gold Reef Casino Resorts Limited
Gold Reef City
Northern Parkway
ORMONDE
2091

Gentlemen

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF AKANI EGOLI MANAGEMENT (PROPRIETARY) LIMITED ("AKANI EGOLI MANAGEMENT")

INTRODUCTION

Casinos Austria International Holding GmbH ("Casinos Austria") is proposing to subscribe for 35 600 000 Gold Reef Casino Resorts Limited ("Gold Reef") ordinary shares at the issue price. The subscription consideration will be discharged through a cash payment of R6 000 000 and the transfer to Gold Reef of Casinos Austria's South African assets. In addition as one indivisible transaction together with the acquisition by Gold Reef of Casinos Austria's South African assets, Casinos Austria will subscribe, in cash, for 2 000 000 Gold Reef ordinary shares of R3,00 per share in terms of a specific issue. The South African assets of Casino Austria comprises the following:

- 11,9% of the issued preference share capital of Akani Leisure Investments (Proprietary) Limited ("ALI"), a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an effective interest of 4,16% in Akani Egoli (Proprietary) Limited which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALI;
- 10% of the issued ordinary share capital of Akani Msunduzi (Proprietary) Limited ("AM") (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM;
- 20% of the issued preference share capital of Akani Leisure Msunduzi Investments (Proprietary) Limited ("ALMI") a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners (equivalent to an economic interest of 7% in AM), and all claims which Casinos Austria may have against ALMI;
- 26,66% of the issued ordinary share capital of West Coast Leisure (Proprietary) Limited ("WCL") (which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL;
- 50% of the issued ordinary share capital of CAI Gold Reef Management (Proprietary) Limited ("CAI Gold Reef"), and claims which Casinos Austria may have against CAI Gold Reef including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse casino management contracts, and an effective 75% interest in the Gold Reef City Casino management contract);
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management (Proprietary) Limited; and

- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Msunduzi Management (Proprietary) Limited ("AMM").

At your request and for the purpose of the Circular to Gold Reef shareholders to be dated on or about 13 September 2002, we present our report on the financial information presented in the Report of Historical Financial Information of Akani Egoli Management, included as Annexure 5 to the Circular, in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

RESPONSIBILITY

The compilation, contents and presentation of the Circular and the Report of Historical Financial Information are the responsibility of the directors of Gold Reef. Our responsibility is to express an opinion on the Report of Historical Financial Information of Akani Egoli Management included in the Circular.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform our work to obtain reasonable assurance that the historical financial information is free of material misstatement. Our work included:

- examining, on a test basis, evidence supporting the amounts and disclosures of the above mentioned historical financial information. The evidence obtained included that previously obtained by us relating to the audit of the financial statements underlying the financial information;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall historical financial information presentation.

OPINION

In our opinion, the historical financial information of Akani Egoli Management relating to the years ended 31 December 1999, 2000 and 2001 fairly presents, in all material respects, for the purposes of the Circular to Gold Reef shareholders, the financial position of Akani Egoli Management at the respective dates, and the results of its operations and cash flows for the years then ended in accordance with current South African Statements of Generally Accepted Accounting Practice.

Yours faithfully

PricewaterhouseCoopers Inc.

Chartered Accountants (SA)
Registered Accountants and Auditors
Sunninghill

ANNEXURE 7

HISTORICAL INFORMATION OF AKANI MSUNDUZI MANAGEMENT (PROPRIETARY) LIMITED

1. INTRODUCTION

Gold Reef Casino Resorts Limited ("Gold Reef") is proposing to acquire a 25,0% interest in Akani Msunduzi Management (Proprietary) Limited ("Akani Msunduzi Management") from Casinos Austria International Holding GmbH ("Casinos Austria"). This will result in Akani Msunduzi Management becoming a subsidiary of Gold Reef.

The historical financial information set out in this report presents the business of Akani Msunduzi Management.

2. COMMENTARY ON THE FINANCIAL INFORMATION OF AKANI MSUNDUZI MANAGEMENT

Financial year ended 31 December 2001

This was the first year of operation of the company. This company is a conduit for management fees received and paid between associated casino operations. A portion of the fees is retained in the company to cover certain administration expenses and the remainder is donated to appropriate organisations at the discretion of the directors of the company. These donations are made in terms of the application for the Golden Horse Casino licence.

During the year net fees received amounted to R330 000. The retained income of R150 000 is available for donations in future years. The company's shareholders have no beneficial interest in the retained income of the company.

3. BASIS OF PREPARATION

The financial information of the company has been extracted and compiled from the audited financial statements of Akani Msunduzi Management for the year ended 31 December 2001.

PricewaterhouseCoopers Inc acted as auditors to Akani Msunduzi Management throughout this period and reported without qualification.

4. FINANCIAL INFORMATION

BALANCE SHEET

as at 31 December

	Notes	2001 R'000
ASSETS		
<i>Current assets</i>		
Receivables and prepayments	4	941
Total assets		941
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary share capital	7	1
Retained earnings		153
Total shareholders' funds		154
Current liabilities		
Trade payables and accruals	5	547
Tax liabilities		84
Bank overdraft		156
Total liabilities		787
Total equity and liabilities		941

INCOME STATEMENT

for the period ended 31 December

	Notes	2001 R'000
Operating profits	2	237
Finance costs		-
Profit before taxation		237
Taxation	3	(84)
Net profit from ordinary activities		153

STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December

	Notes	2001 R'000
Share capital		
Ordinary shares	7	
At beginning of period		-
Ordinary shares issued		1
At end of period		1
Retained earnings		
At beginning of period		-
Net income for the period		153
At end of period		153

CASH FLOW STATEMENT

for the period ended 31 December

	Notes	2001 R'000
Cash flow from operating activities		
Operating profit for the period		237
Non-cash items and other adjustment		-
Cash flows from trading		237
Increase in working capital	8.1	(394)
Cash flow from operating activities	8.2	(157)
Tax paid		
		-
Net cash utilised in operating activities		(157)
Cash flows from investing activities		
Cash flow from financing activities		-
Ordinary shares issued		1
Net cash generated in financing activities		1
Net decrease in cash and cash equivalents		(156)
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		(156)

NOTES TO THE FINANCIAL INFORMATION
for the year ended 31 December

1. BASIS OF PREPARATION

The annual financial statements have been prepared on the historical cost basis. The following are the principal accounting policies used by the company.

Revenue recognition

Revenue comprises of management fees received and are recognised on the accrual basis in accordance with the substance of the relevant agreement.

Financial instruments

Investments in financial assets are initially recognised at cost. Financial liabilities are recognised at the original debt less principal repayments and amortisation's.

Taxation

Taxation is provided at current rates on the net income before tax for the period after taking into account income and expenditure, which are not subject to taxation.

2001
R'000

2. INCOME FOR THE PERIOD

The following items have been charged/credited in arriving at operating profit:

Management fees received from Akani Msunduzi (Pty) Ltd	1 478
Management fees paid fees paid to CAI Gold Reef Management (Pty) Ltd	1 139
Donations	59
Administration fees	30
Auditor's remuneration	
Current year	12

3. TAX

Current tax	
- current year	84

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows:

	%
Standard rate	30,0
Exempt income	0,0
Non-deductible expenses	5,5
	35,5

4. RECEIVABLES AND PREPAYMENTS

Sundry debtors	1
Intergroup loan - Akani Msunduzi (Pty) Ltd	940
	941

5. TRADE PAYABLES AND ACCRUALS

Intergroup loan - CAI Gold Reef Management (Pty) Ltd	469
Intergroup loan - Gold Reef Casino Resorts Ltd	23
Accruals and other payables	55
	547

6. FINANCIAL INSTRUMENTS

Credit risk

The company has no significant concentration of credit risk.

Fair values

The carrying amounts of the following financial liabilities approximate their fair value:

- trade payables and accruals

2001
R'000

7. SHARE CAPITAL

Authorised and issued	
1 000 ordinary shares of R1 each	1

8. CASH FLOW INFORMATION

8.1. Increase in working capital	
- Increase in receivables	(941)
- Increase in payables and accruals	547
	(394)

8.2. Taxation paid

Tax liability the beginning of the period	-
Tax as per the income statement	(84)
Tax liability at the end of the period	84
	-

9. RELATED PARTY TRANSACTIONS

The following transactions were carried out with the following related parties :

Inter-company loan from CAI Gold Reef Management (Pty) Ltd	(469)
Inter-company loan from Gold Reef Casino Resorts Limited	(23)
Inter-company loan to Akani Msunduzi (Pty) Ltd	940
Management fee paid to CAI Gold Reef Management (Pty) Ltd	(1 139)
Management fees received from Akani Msunduzi (Pty) Ltd	1 478
Administration fee paid to Gold Reef Casino Resorts limited	(30)

10. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments at period end.

11. POST BALANCE SHEET EVENT

Casinos Austria International Holding GmbH has agreed to acquire a 16,7% stake in Gold Reef Casino Resorts Limited and will transfer its stake in the company for R1.

This will result in the company becoming a subsidiary of Gold Reef Casino Resorts Limited.

ANNEXURE 8

INDEPENDENT ACCOUNTANT'S REPORT ON THE HISTORICAL INFORMATION OF AKANI MSUNDUZI MANAGEMENT (PROPRIETARY) LIMITED

10 September 2002

The Directors
Gold Reef Casino Resorts Limited
Gold Reef City
Northern Parkway
ORMONDE
2091

Gentlemen

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF AKANI MSUNDUZI MANAGEMENT (PROPRIETARY) LIMITED ("AKANI MSUNDUZI MANAGEMENT")

INTRODUCTION

Casinos Austria International Holding GmbH ("Casinos Austria") is proposing to subscribe for 35 600 000 Gold Reef Casino Resorts Limited ("Gold Reef") ordinary shares at the issue price. The subscription consideration will be discharged through a cash payment of R6 000 000 and the transfer to Gold Reef of Casinos Austria's South African assets. In addition as one indivisible transaction together with the acquisition by Gold Reef of Casinos Austria's South African assets, Casinos Austria will subscribe, in cash, for 2 000 000 Gold Reef ordinary shares of R3,00 per share in terms of a specific issue. The South African assets of Casino Austria comprises the following:

- 11,9% of the issued preference share capital of Akani Leisure Investments (Proprietary) Limited ("ALI"), a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an effective interest of 4,16% in Akani Egoli (Proprietary) Limited which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALI;
- 10% of the issued ordinary share capital of Akani Msunduzi (Proprietary) Limited ("AM") (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM;
- 20% of the issued preference share capital of Akani Leisure Msunduzi Investments (Proprietary) Limited ("ALMI") a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners (equivalent economic interest of 7% in AM) and all claims which Casinos Austria may have against ALMI;
- 26,66% of the issued ordinary share capital of West Coast Leisure (Proprietary) Limited ("WCL") (which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL;
- 50% of the issued ordinary share capital of CAI Gold Reef Management (Proprietary) Limited ("CAI Gold Reef"), and claims which Casinos Austria may have against CAI Gold Reef including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse casino management contracts, and an effective 75% interest in the Gold Reef City Casino management contract);
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management (Proprietary) Limited; and

- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Msunduzi Management, for R1.

At your request and for the purpose of the Circular to Gold Reef shareholders to be dated on or about 13 September 2002, we present our report on the financial information presented in the Report of Historical Financial Information of Akani Msunduzi Management, included as Annexure 7 to the Circular, in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

RESPONSIBILITY

The compilation, contents and presentation of the Circular and the Report of Historical Financial Information are the responsibility of the directors of Gold Reef. Our responsibility is to express an opinion on the Report of Historical Financial Information of Akani Msunduzi Management included in the Circular.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform our work to obtain reasonable assurance that the historical financial information is free of material misstatement. Our work included:

- examining, on a test basis, evidence supporting the amounts and disclosures of the above mentioned historical financial information. The evidence obtained included that previously obtained by us relating to the audit of the financial statements underlying the financial information;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall historical financial information presentation.

OPINION

In our opinion, the historical financial information of Akani Msunduzi Management relating to the year ended 31 December 2001 fairly presents, in all material respects, for the purposes of the Circular to Gold Reef shareholders, the financial position of Akani Msunduzi Management and the results of its operations and cash flows for the year then ended 31 December 2001 in accordance with current South African Statements of Generally Accepted Accounting Practice.

Yours faithfully

PricewaterhouseCoopers Inc.

Chartered Accountants (SA)
Registered Accountants and Auditors
Sunninghill

ANNEXURE 9

HISTORICAL INFORMATION OF CAI GOLD REEF MANAGEMENT (PROPRIETARY) LIMITED

1. INTRODUCTION

Gold Reef Casino Resorts Limited ("Gold Reef") is proposing to acquire the 50% interest in CAI Gold Reef Management (Proprietary) Limited ("CAI Gold Reef") from Casinos Austria International Holding GmbH ("Casinos Austria"). This will result in CAI Gold Reef becoming a wholly owned subsidiary of Gold Reef.

The historical financial information set out in this report presents the business of CAI Gold Reef.

2. COMMENTARY ON THE FINANCIAL INFORMATION OF CAI GOLD REEF

Financial year ended 31 December 1999

This was the company's first year of operations with revenues commencing in April 2000. CAI Gold Reef receives management fees from associated casino operations. During the year the company sold 25% of its interest in Akani Casino Management (Proprietary) Limited ("ACM") at a profit of R10 million. This abnormal item was included in operating profit. The balance of the income represented net management fees received from associated casino operations. The taxation charge was approximately 13% of net profit. ACM is a conduit company for the passage of management fees between various related entities. Its operations are designed to break-even.

Financial year ended 31 December 2001

Management fees received increased by 50% because the associated casino operations traded at higher levels. The Gold Reef City Casino traded out of its permanent facility which generated higher income than the prior year. Against this higher income royalties of R5,3 million were paid to Casinos Austria, an increase of 47% over the prior year.

The taxation charge was approximately 30% of net profit.

3. BASIS OF PREPARATION

The financial information of the company has been extracted and compiled from the audited financial statements of CAI Gold Reef for the years ended 31 December 2000 and 2001. PricewaterhouseCoopers Inc acted as auditors to CAI Gold Reef throughout this period and reported without qualification for these periods.

4. FINANCIAL INFORMATION

BALANCE SHEET

as at 31 December

	Notes	2001 R'000	2000 R'000
ASSETS			
<i>Non-current assets</i>			
Non current receivables	6	10 709	7 601
<i>Current assets</i>			
Receivables and prepayments	7	5 042	12 119
Cash and cash equivalents	8	12 077	-
		17 119	12 119
Total assets		27 828	19 720
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Ordinary share capital	11	-	-
Non-distributable reserves		(25)	(19)
Retained earnings		21 158	15 168
Total shareholders' funds		21 133	15 149
<i>Current liabilities</i>			
Trade payables and accruals	9	4 126	2 289
Tax liabilities		2 569	2 282
Total liabilities		6 695	4 571
Total equity and liabilities		27 828	19 720

INCOME STATEMENT*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000
Operating profits	2	7 619	17 431
Finance income	3	941	-
Profit before taxation		8 560	17 431
Taxation	4	(2 576)	(2 282)
Net profit for the year		5 984	15 149

STATEMENT OF CHANGES IN EQUITY*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000
Share capital	11		
Ordinary shares			
At beginning of year		-	-
Ordinary shares issued		-	-
At end of year		-	-
Non distributable reserve			
At beginning of year		(19)	-
NDR raised on outside shareholders share of loss		(6)	(19)
At end of year		(25)	(19)
Retained earnings			
At beginning of year		15 168	-
Writeback of retained income on loss in associate		6	19
Net income for the year		5 984	15 149
At end of year		21 158	15 168

CASH FLOW STATEMENT*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000
Cash flow from operating activities			
Operating profit for the year		7 619	17 431
Decrease/(increase) in working capital	12.1	8 914	(9 830)
Cash flow from operating activities		16 533	7 601
Net interest received		941	-
Tax paid	12.2	(2 289)	-
Net cash generated in operating activities		15 185	7 601
Cash flows from investing activities		-	-
Cash flow from financing activities			
Increase in loans advanced		(3 108)	(7 601)
Net cash utilised in financing activities		(3 108)	(7 601)
Net increase in cash and cash equivalents		12 077	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		12 077	-

NOTES TO THE FINANCIAL INFORMATION*for the year ended 31 December***I. BASIS OF PREPARATION**

The annual financial statements have been prepared on the historical cost basis. The following are the principal accounting policies used by the company, which are consistent with those of the previous year.

Revenue recognition

Revenue comprises of management fees received and are recognised on the accrual basis in accordance with the substance of the relevant agreement.

Financial instruments

Investments in financial assets are initially recognised at cost. Financial liabilities are recognised at the original debt less principal repayments and amortisation's.

Taxation

Taxation is provided at current rates on the net income before tax for the year after taking into account income and expenditure, which are not subject to taxation.

	2001 R'000	2000 R'000
2. INCOME FOR THE YEAR		
The following items have been charged/(credited) in arriving at operating profit for the year:		
Auditors' remuneration		
Audit fees - current year	52	-
Abnormal items		
Profit on sale of shares	-	10 000
3. FINANCE INCOME		
Interest received	941	-
Net finance income	941	-
4. TAX		
Current tax	2 576	2 282
The tax on the group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of South Africa as follows :		
	%	%
Standard rate	30.0	30.0
Exempt income	-	(17.1)
Non-deductible expenses	-	0.2
	30.0	13.1
5. DIVIDENDS PER SHARE		
No dividends were declared during the year.		
6. NON CURRENT RECEIVABLES		
Loan to Akani Msunduzi (Pty) Ltd	5 650	-
The loan bears interest at 98% of prime and has no fixed payment term.		
Loan to Akani Leisure Casinos (Pty) Ltd	5 059	7 601
The loan bears no interest and is repaid monthly using 100% of the management fees received from Akani Casino Management (Pty) Ltd.		
	10 709	7 601
7. RECEIVABLES AND PREPAYMENTS		
Trade receivables	5 042	12 119
Trade receivables are made up of short term balances owing by companies within the group		
8. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	12 077	-
9. TRADE PAYABLES AND ACCRUALS		
Sundry creditors	1 049	-
Accruals	501	150
Other payables - Casinos Austria International Holding GmbH	2 576	2 139
	4 126	2 289
10. FINANCIAL INSTRUMENTS		
Credit risk		
The group has no significant concentration of credit risk.		
Fair values		
The carrying amounts for the following financial liabilities approximate to their fair value:		
- cash		
- trade receivables and payables		

	2001 R'000	2000 R'000
11. SHARE CAPITAL		
Authorised		
1 000 ordinary shares of R1 each		
(2000: 1 000 ordinary shares of R1 each)	1	1
Issued		
100 shares of R1 each		
(2000: 100 ordinary share of R1 each)		
The unissued shares have been placed under the control of the directors until the next general meeting.		
12. CASH FLOW INFORMATION		
12.1. Increase in working capital		
- Decrease/(increase) in receivables and	7 077	(12 119)
- Increase in payables and provision	1 837	2 289
	8 914	(9 830)
12.2. Taxation paid		
Tax liability at the beginning of the year	(2 282)	-
Tax as per the income statement	(2 576)	(2 282)
Tax liability at the end of the year	2 569	2 282
	(2 289)	-
13. RELATED PARTY TRANSACTIONS		
The following transactions were carried out with the following related parties:		
Intercompany loan balance from Gold Reef Casino Resorts Limited	(6)	(150)
Intercompany loan balance from Casinos Austria International Holding GmbH	(2 576)	(2 139)
Loan to Akani Casino Management (Pty) Ltd	2 012	11 659
Loan to Akani Msunduzi (Pty) Ltd	5 650	-
Loan to Akani Leisure Casinos (Pty) Ltd	5 059	7 601
Loan to Akani Msunduzi Management (Pty) Ltd	469	-
Loan to West Coast Leisure (Pty) Ltd	253	1 503
Management fee received from Akani Casino Management (Pty) Ltd	17 268	12 637
Management fee received from Akani Msunduzi Management (Pty) Ltd	1 139	-
Management fee received from West Coast Leisure (Pty) Ltd	1 604	535
Interest received from Akani Msunduzi (Pty) Ltd	300	-
Administration fee paid to Gold Reef Casino Resorts Limited	(60)	-
Royalty fee paid to Casinos Austria International Holding GmbH	(5 285)	(3 591)
14. CONTINGENCIES COMMITMENTS		
There were no contingencies and commitments at the year-end.		
15. POST BALANCE SHEET EVENTS		
Casinos Austria International Holding GmbH has agreed to acquire a 16,7% stake in Gold Reef Casino Resorts Limited and will transfer its stake of 50% in the company for R48,5 million.		
Additionally royalty fees of 0,625% based on gross gaming revenue in each of the casino operations (including Casino Mykonos, Golden Horse Casino and Gold Reef City casino management contracts) will be payable to Gold Reef Casino Resorts Limited.		
This transaction will result in the company becoming a wholly owned subsidiary of Gold Reef Casino Resorts Limited.		

ANNEXURE 10

INDEPENDENT ACCOUNTANT'S REPORT ON THE HISTORICAL INFORMATION OF CAI GOLD REEF MANAGEMENT (PROPRIETARY) LIMITED

10 September 2002

The Directors
Gold Reef Casino Resorts Limited
Gold Reef City
Northern Parkway
ORMONDE
2091

Gentlemen

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF CAI GOLD REEF MANAGEMENT (PROPRIETARY) LIMITED ("CAI GOLD REEF")

INTRODUCTION

Casinos Austria International Holding GmbH ("Casinos Austria") is proposing to subscribe for 35 600 000 Gold Reef Casino Resorts Limited ("Gold Reef") ordinary shares at the issue price. The subscription consideration will be discharged through a cash payment of R6 000 000 and the transfer to Gold Reef of Casinos Austria's South African assets. In addition as one indivisible transaction together with the acquisition by Gold Reef of Casinos Austria's South African assets, Casinos Austria will subscribe, in cash, for 2 000 000 Gold Reef ordinary shares of R3,00 per share in terms of a specific issue. The South African assets of Casino Austria comprises the following:

- 11,9% of the issued preference share capital of Akani Leisure Investments (Proprietary) Limited ("ALI"), a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an effective interest of 4,16% in Akani Egoli (Proprietary) Limited which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALI;
- 10% of the issued ordinary share capital of Akani Msunduzi (Proprietary) Limited ("AM") (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM;
- 20% of the issued preference share capital of Akani Leisure Msunduzi Investments (Proprietary) Limited ("ALMI") a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners (equivalent to an economic interest of 7% in AM) and all claims which Casinos Austria may have against ALMI;
- 26,66% of the issued ordinary share capital of West Coast Leisure (Proprietary) Limited ("WCL") (which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL;
- 50% of the issued ordinary share capital of CAI Gold Reef, and claims which Casinos Austria may have against CAI Gold Reef including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse casino management contracts, and an effective 75% interest in the Gold Reef City Casino management contract);
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management (Proprietary) Limited; and

- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Msunduzi Management (Proprietary) Limited.

At your request and for the purpose of the Circular to Gold Reef shareholders to be dated on or about 13 September 2002, we present our report on the financial information presented in the Report of Historical Financial Information of CAI Gold Reef, included as Annexure 9 to the Circular, in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

RESPONSIBILITY

The compilation, contents and presentation of the Circular and the Report of Historical Financial Information are the responsibility of the directors of Gold Reef. Our responsibility is to express an opinion on the Report of Historical Financial Information of CAI Gold Reef included in the Circular.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform our work to obtain reasonable assurance that the historical financial information is free of material misstatement. Our work included:

- examining, on a test basis, evidence supporting the amounts and disclosures of the above mentioned historical financial information. The evidence obtained included that previously obtained by us relating to the audit of the financial statements underlying the financial information;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall historical financial information presentation.

OPINION

In our opinion, the historical financial information of CAI Gold Reef relating to the years ended 31 December 2000 and 2001 fairly presents, in all material respects, for the purposes of the Circular to Gold Reef shareholders, the financial position of CAI Gold Reef at the respective dates, and the results of its operations and cash flows for the years then ended in accordance with current South African Statements of Generally Accepted Accounting Practice.

Yours faithfully

PricewaterhouseCoopers Inc.

Chartered Accountants (SA)
Registered Accountants and Auditors
Sunninghill

ANNEXURE 11

**HISTORICAL INFORMATION OF
WEST COAST LEISURE (PROPRIETARY) LIMITED**

1. INTRODUCTION

Gold Reef Casino Resorts Limited ("Gold Reef") is proposing to acquire the 26,66% interest in West Coast Leisure (Proprietary) Limited ("WCL") from Casinos Austria International Holding GmbH ("Casinos Austria"). This will result in WCL becoming a subsidiary of Gold Reef.

The historical financial information set out in this report presents the business of WCL.

2. COMMENTARY ON THE FINANCIAL INFORMATION OF WCL

Financial year ended 31 December 2000

The company was registered in 1994 as part of the bid process for the Casino Mykonos licence but operations only commenced in November 2000. The operating profit of R3,4 million was off-set by finance costs of R748 000 and once-off pre-opening costs of R5,5 million. This resulted in a loss for the year of R2,8 million.

Financial year ended 31 December 2001

Revenues were disappointing in the first full year of operations and an extensive cost cutting and re-structuring programme resulted in an operating loss of R857 000. Finance costs on external funding commenced during the year at a cost of R2,7 million. Interest on shareholders' loans was suspended. Net operating loss for the year was R3,6 million.

3. BASIS OF PREPARATION

The financial information of the company has been extracted and compiled from the audited financial statements of WCL for the years ended 31 December 2000 and 2001. PricewaterhouseCoopers Inc. acted as auditors to WCL throughout this period and reported without qualification for these periods.

4. FINANCIAL INFORMATION

BALANCE SHEET

as at 31 December

	Notes	2001 R'000	2000 R'000
ASSETS			
<i>Non-current assets</i>			
Leasehold improvements	2	21 723	19 283
Plant and equipment	2	15 798	21 679
Intangible assets	3	6 689	7 460
		44 210	48 422
<i>Current assets</i>			
Inventories		490	137
Receivables and prepayments	4	1 966	5 870
Cash and cash equivalents	5	1 923	2 060
		4 379	8 067
Total assets		48 589	56 489
EQUITY AND LIABILITIES			
<i>Capital and reserves</i>			
Share capital	6	1	1
Retained loss		(6 394)	(2 811)
		(6 393)	(2 810)
Shareholders' loans	7	28 428	28 401
Shareholders' equity		22 035	25 591
<i>Non-current liabilities</i>			
Bank term loan: long term portion	8	18 894	-
<i>Current liabilities</i>			
Trade and other payables	9	2 857	10 188
Provisions	10	907	407
Bank overdraft	11	940	20 303
Bank term loan: current portion	8	2 956	-
		7 660	30 898
Total equity and liabilities		48 589	56 489

INCOME STATEMENT*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000
Revenue	12	34 771	8 893
Other operating income		351	52
Employee remuneration	13	(12 034)	(1 728)
Other operating expenses		(23 946)	(3 830)
Operating (loss)/profit	12	(858)	3 387
Net finance costs	14	(2 725)	(748)
Pre-opening costs		-	(5 450)
Loss before tax		(3 583)	(2 811)
Tax	15	-	-
Net loss for the year		(3 583)	(2 811)

STATEMENT OF CHANGES IN EQUITY*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000
Ordinary share capital			
At the beginning of the year		1	1
Shares issued		-	-
At the end of the year	6	1	1
Retained earnings			
At the beginning of the year		(2 811)	(192)
Net loss for the year		(3 583)	(2 811)
Bid costs capitalised		-	192
At the end of the year		(6 394)	(2 811)

CASH FLOW STATEMENT*for the year ended 31 December*

	Notes	2001 R'000	2000 R'000
Cash flow from operating activities			
Cash receipts from customers		34 710	9 045
Cash paid to suppliers and employees		(32 149)	(5 509)
Cash flows from operating activities	22	2 561	3 536
Interest received		1	-
Interest paid		(2 726)	(1 680)
Tax paid		-	-
Net cash (utilised)/generated by operating activities		(164)	1 856
Cash flow from investing activities			
Proceeds on disposal of plant and equipment		414	-
Acquisition of plant and equipment net of capitalised interest		(2 914)	(40 644)
Decrease/(increase) in intangible assets		13	(6 217)
Net cash utilised in investing activities		(2 487)	(46 861)
Cash flow from financing activities			
Net proceeds raised/(repayment made)			
Interest bearing borrowings:			
Shareholders loans		27	26 612
Bank term loan		21 850	-
Ordinary shares issued		-	1
Net cash generated by financing activities		21 877	26 613
Net increase/(decrease) in cash and cash equivalents		19 226	(18 392)
Cash and cash equivalents at beginning of year		(18 243)	149
Cash and cash equivalents at end of year		983	(18 243)

NOTES TO THE FINANCIAL INFORMATION

for the year ended 31 December

1. BASIS OF PREPARATION

The annual financial statements are prepared in accordance with and comply with South African Accounting Standards. The annual financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the company, which are consistent with those of the previous year, where applicable.

Plant and equipment

All plant and equipment is included at cost less depreciation.

Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The expected useful lives are as follows:

- Intangible assets - bid costs	10 years
- Operating equipment	5 years
- Computer equipment and software	3 years
- Motor vehicles	5 years
- Furniture and fittings	5 years

Leased assets

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Deferred tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. The principal temporary differences arise from depreciation on plant and equipment, accruals and provisions and the assessable loss.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments, net of bank overdraft. In the balance sheet, the bank overdraft is included in current liabilities.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Financial instruments

Investments in financial assets are initially at cost. Subsequently financial assets are re-measured at fair value, except for fixed maturity investments such as debt and loans. Financial liabilities are recognised at the original debt less principal repayments and amortisations.

Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Such balances are translated at year-end exchange rates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

Revenue recognition

Company revenue includes revenue derived from casino winnings net of value-added tax but before deduction of gross gaming levies.

Borrowing costs

Interest costs incurred on the financing of the casino construction were capitalised. Such interest costs relate to expenditure incurred prior to the project becoming operational.

Retirement benefits

The group's contribution to the defined contribution plans are charged to the income statement in the year to which they relate.

Intangible assets

Expenditure on licences and bid costs is capitalised and amortised using the straight-line method over the useful life of 10 years. Intangible assets are not revalued. The carrying amount of intangible assets is reviewed annually and adjusted for impairment where it is considered necessary.

Inventories

Inventories are stated at the lower of cost or net realisable value. The nature of inventory comprises finished goods to be consumed in the rendering of services.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

	Leasehold improvements R'000	Operating equipment R'000	Furniture and fittings R'000	Computer equipment R'000	Motor vehicles R'000	Total R'000
2. LEASEHOLD IMPROVEMENTS / PLANT AND EQUIPMENT						
At 31 December 2001						
Opening net carrying amount	19 283	15 188	406	5 963	122	40 962
Additions	2 440	167	13	292	2	2 914
Disposals						
Cost	-	(384)	(6)	(102)	-	(492)
Accumulated depreciation	-	63	-	15	-	78
Depreciation	-	(3 794)	(81)	(2 040)	(26)	(5 941)
Closing net carrying amount	21 723	11 240	332	4 128	98	37 521
At 31 December 2001						
Cost	21 723	15 372	418	6 357	128	43 998
Accumulated depreciation	-	(4 132)	(86)	(2 229)	(30)	(6 477)
Net carrying amount	21 723	11 240	332	4 128	98	37 521
At 31 December 2000						
Opening net carrying amount	-	-	-	-	-	-
Additions	19 283	15 590	412	6 166	126	41 577
Depreciation	-	(402)	(6)	(203)	(4)	(615)
Closing net carrying amount	19 283	15 188	406	5 963	122	40 962
At 31 December 2000						
Cost	19 283	15 590	412	6 166	126	41 577
Accumulated depreciation	-	(402)	(6)	(203)	(4)	(615)
Net carrying amount	19 283	15 188	406	5 963	122	40 962
					2001	2000
					R'000	R'000
3. INTANGIBLE ASSETS						
Opening book value					7 460	1 342
Additions:						
- Casino licence					-	5 700
- Casino bid costs					15	517
Disposals						
- Casino bid costs					(27)	-
Less: Amortisation					(759)	(99)
Net book value end of year					6 689	7 460
4. RECEIVABLES AND PREPAYMENTS						
Trade receivables					126	48
Receivable from related party					2	196
Prepayment re-purchase of land					1 000	1 000
VAT					-	3 851
Prepayments					838	775
					1 966	5 870
5. CASH AND CASH EQUIVALENTS						
Cash on hand					1 923	2 060
					1 923	2 060
For the purpose of the cash flow statement the year end cash and cash equivalents comprise the following:						
Cash on hand					1 923	2 060
Bank overdraft					(940)	(20 303)
					983	(18 243)

	2001 R'000	2000 R'000
6. SHARE CAPITAL		
Authorised		
Ordinary shares		
- 100 000 ordinary shares of 1c each	1	1
Issued		
Ordinary shares		
- 100 000 ordinary shares of 1c each	1	1
7. SHAREHOLDERS LOANS		
Casinos Austria International Holding GmbH	8 401	8 401
Club Mykonos Langebaan Ltd	8 393	8 393
Flexcor Thirteen (Pty) Ltd	3 092	3 092
Gold Reef Casino Resorts Ltd	8 542	8 515
Total shareholders loans	28 428	28 401
<p>During the current year the loans were interest free (2000: 14,5%). The loans are unsecured and have no fixed terms of repayment. In terms of the funding arrangements of the financier the loans have been ceded in favour of the bank overdraft/term loan. The net amount of R5 million (total loans of R28 million less the bank overdraft/term loan of R23 million) has been sub-ordinated in favour of other creditors until such time as the assets of the company, fairly valued, exceed its liabilities.</p>		
8. BANK TERM LOAN		
Long term portion	18 894	-
Short term portion	2 956	-
	21 850	-
<p>The bank term loan bears interest at prime interest rate less 1.5% and is repayable in monthly instalments of R503 944.</p> <p>The bank overdraft and term loan are secured by limited suretyship by:</p> <ul style="list-style-type: none"> - Club Mykonos Langebaan Ltd for an amount of R9 million supported by a cession of their loan account in the company. - Gold Reef Casino Resorts Ltd for an amount of R9 million supported by a cession of their loan account in the company. - Reygrande Investments Holdings (Pty) Ltd for an amount of R3 million. - Casinos Austria International Holding GmbH for an amount of R9 million supported by a cession of their loan account in the company. - Annford Investments (Pty) Ltd for an amount of R3 million supported by a cession of the loan account in the company of Flexcor Thirteen (Pty) Ltd. 		
Total limited suretyship	32 208	32 208
<p>The security for the bank overdraft and term loan also includes:</p>		
Special and General Notarial Bond over movable assets	25 000	-
9. TRADE AND OTHER PAYABLES		
Trade payables	191	67
Accruals	1 894	7 342
Owing to related parties	277	2 779
VAT	495	-
	2 857	10 188
10. PROVISIONS		
Provision for audit fees	120	52
Provision for leave pay	152	160
Other provisions	635	195
	907	407
11. BANK OVERDRAFT		
Bank overdraft	940	20 303
<p>The bank overdraft bears interest at the prime interest rate. Also refer to note 7.</p>		

	2001 R'000	2000 R'000
12. OPERATING INCOME		
The following items have been charged/(credited) in arriving at operating loss:		
Revenue		
- Gross gaming revenue	(39 317)	(10 046)
- Less: VAT	4 546	1 153
Net gaming revenue	(34 771)	(8 893)
Casino Gaming Levy	2 363	603
Depreciation		
- Operating equipment	3 794	402
- Furniture and fittings	81	6
- Computer equipment	2 040	203
- Motor vehicles	26	4
Amortisation of intangible assets	759	99
	6 700	714
Auditors' remuneration		
- Audit fees	183	52
Directors' emoluments		
- For services as directors	-	42
- For other services	76	75
	76	117
Fees for services		
- Casino management fees	1 604	535
Staff costs (see note 13)	12 034	2 916
13. EMPLOYEE REMUNERATION		
Salaries and wages	11 508	2 897
Defined contribution costs	526	19
	12 034	2 916
Expensed to pre-opening costs	-	(1 188)
	12 034	1 728
Average monthly number of persons employed:		
- full time	148	190
14. NET FINANCE COSTS		
Shareholders loans	-	1 446
Bank loans and overdrafts	2 726	234
	2 726	1 680
Interest received		
Bank	(1)	-
	2 725	1 680
Finance costs capitalised	-	(932)
Net finance costs	2 725	748
15. TAX		
No provision has been made for taxation as the company has an estimated assessed loss of approximately R4 million (December 2000: R1,8 million).		
16. FINANCIAL INSTRUMENTS		
16.1 Credit risk		
Potential concentrations of credit risk consist principally of accounts receivable and short term cash. The company deposits short term cash surpluses with a major bank of high credit standing.		
Accounts receivable balances are disclosed net of the provision for doubtful debts.		
16.2 Fair values		
The carrying amounts of the following financial liabilities approximate their fair value: Cash, trade receivables and payables and other receivables and payables.		
16.3 Interest risk		
Interest at prime rate is levied on the bank overdraft which was 13% (2000: 14,5%) at 31 December 2001.		

	2001 R'000	2000 R'000
17. CAPITAL COMMITMENTS		
17.1 Contracts		
Authorised, not yet contracted	-	-
Authorised and contracted	-	2 200
18. GUARANTEES		
Murray & Roberts Ltd (Construction)	-	1 000
Western Cape Gambling and Racing Board	890	4 763
Capital expenditure	390	4 263
Minimum Casino bankroll	500	500

19. CAPITAL COMMITMENTS CONTINUED

Commitments		
Purchase of casino	8 000	8 000

This expenditure will be funded by bank overdraft and shareholder funds. Guarantees are secured by cash in the bank.

20. RETIREMENT BENEFIT INFORMATION

The company provides provident fund benefits for their employees. The Gold Reef City Provident Fund is a defined contribution fund, and is administered by ABSA Consultants and Actuaries. According to the most recent actuarial valuation performed, the fund is financially sound. The company has no obligations relating to post retirement medical benefits. At year end the company's share of the fund had 135 members (2000: 23). Refer note 12 for the total contributions.

	Casinos Austria International Holding GmbH R'000	Club Mykonos Langebaan Ltd R'000	Flexcor Thirteen (Pty) Ltd R'000	Gold Reef Casino Resorts Ltd R'000	Total R'000
21. RELATED PARTY TRANSACTIONS					
Shareholders loans					
Opening balance	(8 401)	(8 393)	(3 092)	(8 514)	(28 400)
Administration fees raised	-	-	-	(27)	(27)
Closing balance	(8 401)	(8 393)	(3 092)	(8 541)	(28 427)

	CAI Gold Reef Management (Pty) Ltd R'000	Club Mykonos Langebaan Ltd R'000	Akani Msunduzi (Pty) Ltd R'000	Akani Egoli (Pty) Ltd R'000	Gold Reef Casino Resorts Ltd R'000	Total R'000
Related party balances						
Current accounts						
Opening balance	(1 503)	1 000	196	(875)	(570)	(1 752)
Paid during the year	2 854	-	(196)	875	570	4 103
Management fees	(1 604)	-	-	-	-	(1 604)
Internal audit fee	-	-	-	(7)	-	(7)
Equipment sold	-	-	60	-	-	60
Expenses paid	-	-	1	-	-	1
Salary	-	-	-	(17)	-	(17)
Bonus paid	-	-	(58)	-	-	(58)
Closing balance	(253)	1 000	3	(24)	-	726

	2001 R'000	2000 R'000
Rental paid to Club Mykonos Langebaan Limited	(1 307 019)	(20 000)
Rental paid to Club Mykonos Langebaan Resorts	(24 000)	-
Consulting fees paid to Reygrande Investment Holdings (Pty) Ltd	(40 000)	-
Consulting fees paid to a director	(75 600)	-

All transactions were conducted at arm's length, on commercial terms and conditions and at market rates.

	2001	2000
	R'000	R'000
22. CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss before taxation	(3 583)	(2 811)
Adjusted for:		
Non cash items		
Depreciation	5 941	615
Amortisation	759	99
Bid costs capitalised	-	192
Net borrowing costs	2 725	748
Movement in current assets and liabilities		
Decrease/(increase) in receivables	3 904	(5 763)
(Decrease)/increase in payables	(6 832)	10 593
Increase in inventory	(353)	(137)
Cash flows from operating activities	2 561	3 536

23. POST BALANCE SHEET EVENT

The shareholder of the company have proposed to pass a resolution to recapitalise the company with an amount of R13,5 million, whereby the company will purchase the premises of the temporary casino for a net amount of R8m. The additional proceeds will allow for a reduction of the bank debt of R5,5m.

Casinos Austria International Holding GmbH has agreed to acquire a 16.7% stake in Gold Reef Casino Resorts Ltd ("Gold Reef") and will transfer its 26,6% stake in the company to Gold Reef. In addition, CAI Gold Reef Management (Pty) Ltd which manages the casino, will become a wholly owned subsidiary of Gold Reef.

ANNEXURE 12

INDEPENDENT ACCOUNTANT'S REPORT ON THE HISTORICAL INFORMATION OF WEST COAST LEISURE (PROPRIETARY) LIMITED

10 September 2002

The Directors
Gold Reef Casino Resorts Limited
Gold Reef City
Northern Parkway
ORMONDE
2091

Gentlemen

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF WEST COAST LEISURE (PROPRIETARY) LIMITED ("WCL")

INTRODUCTION

Casinos Austria International Holding GmbH ("Casinos Austria") is proposing to subscribe for 35 600 000 Gold Reef Casino Resorts Limited ("Gold Reef") ordinary shares at the issue price. The subscription consideration will be discharged through a cash payment of R6 000 000 and the transfer to Gold Reef of Casinos Austria's South African assets. In addition as one indivisible transaction together with the acquisition by Gold Reef of Casinos Austria's South African assets, Casinos Austria will subscribe, in cash, for 2 000 000 Gold Reef ordinary shares of R3,00 per share in terms of a specific issue. The South African assets of Casino Austria comprises the following:

- 11,9% of the issued preference share capital of Akani Leisure Investments (Proprietary) Limited ("ALI"), a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an effective interest of 4,16% in Akani Egoli (Proprietary) Limited which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALI;
- 10% of the issued ordinary share capital of Akani Msunduzi (Proprietary) Limited ("AM") (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM;
- 20% of the issued preference share capital of Akani Leisure Msunduzi Investments (Proprietary) Limited ("ALM") a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners (equivalent to an economic interest of 7% in AM) and all claims which Casinos Austria may have against ALM;
- 26,66% of the issued ordinary share capital of WCL (which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL;
- 50% of the issued ordinary share capital of CAI Gold Reef Management (Proprietary) Limited ("CAI Gold Reef"), and claims which Casinos Austria may have against CAI Gold Reef including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse casino management contracts, and an effective 75% interest in the Gold Reef City Casino management contract);
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management (Proprietary) Limited; and

- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Msunduzi Management (Proprietary) Limited.

At your request and for the purpose of the Circular to Gold Reef shareholders to be dated on or about 13 September 2002, we present our report on the financial information presented in the Report of Historical Financial Information of WCL, included as Annexure 11 to the Circular, in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

RESPONSIBILITY

The compilation, contents and presentation of the Circular and the Report of Historical Financial Information are the responsibility of the directors of Gold Reef. Our responsibility is to express an opinion on the Report of Historical Financial Information of WCL included in the Circular.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. These standards require that we plan and perform our work to obtain reasonable assurance that the historical financial information is free of material misstatement. Our work included:

- examining, on a test basis, evidence supporting the amounts and disclosures of the above mentioned historical financial information. The evidence obtained included that previously obtained by us relating to the audit of the financial statements underlying the financial information;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall historical financial information presentation.

OPINION

In our opinion, the historical financial information of WCL relating to the years ended 31 December 2000 and 2001 fairly presents, in all material respects, for the purposes of the Circular to Gold Reef shareholders, the financial position of WCL at the respective dates, and the results of its operations and cash flows for the years then ended in accordance with current South African Statements of Generally Accepted Accounting Practice.

Yours faithfully

PricewaterhouseCoopers Inc.

Chartered Accountants (SA)
Registered Accountants and Auditors
Sunninghill



GOLD REEF

C A S I N O R E S O R T S

Gold Reef Casino Resorts Limited

(Incorporated in the Republic of South Africa)

(Registration number 1989/002108/06)

(*"Gold Reef" or "the company"*)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of the ordinary shareholders of the company will be held at the Second Floor Conference Room, Gold Reef Casino Hotel, Cnr Data and Northern Parkway Road, Ormonde, 2157 at 10:00 on Monday, 30 September 2002 to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT, the board of directors of Gold Reef Casino Resorts Limited be and is hereby authorised to allot and issue 2 000 000 (two million) ordinary shares of 2 cents (two cents) each to Casinos Austria International Holding GmbH at R3,00 (three Rand) per share for cash in accordance with the circular to which this notice is attached and in accordance with the Listing Requirements of the JSE Securities Exchange South Africa."

The approval of a 75% (seventy five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting, excluding controlling shareholders, their associates, and any party acting in concert, and, if applicable, any shareholder that is participating in the issue, is required for this resolution to become effective.

ORDINARY RESOLUTION NUMBER 2

"RESOLVED THAT, any member of the board of directors of the Company be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to ordinary resolution number 1."

Voting and proxies

Each shareholder of the company who is present in person or represented by proxy and who is entitled to vote at the general meeting is entitled to one vote on a show of hands.

On a poll, each shareholder present in person or by proxy or represented in terms of section 188 of the Companies Act (No 61 of 1973), as amended, and entitled to vote, shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares issued by the company.

A shareholder entitled to attend and vote at the general meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the company.

For and on behalf of the directors of

GOLD REEF CASINO RESORTS LIMITED

Per: R Seabrook CA(SA)

Company Secretary

Johannesburg

13 September 2002



GOLD REEF

CASINO RESORTS

Gold Reef Casino Resorts Limited

(Incorporated in the Republic of South Africa)

(Registration number 1989/002108/06)

("Gold Reef" or "the company")

FORM OF PROXY

For use at the general meeting of Gold Reef ordinary shareholders of the company to be held at the Second Floor Conference Room, Gold Reef Casino Hotel, Cnr Data and Northern Parkway Road, Ormonde, 2157 at 10:00 on Monday, 30 September 2002.

Dematerialised shareholders must inform their CSDP or broker of their intention to attend the general meeting and request their CSDP or broker to issue them with the necessary authorisation to attend the general meeting in person and vote or provide their CSDP or broker with their voting instructions should they not wish to attend the general meeting in person.

I/We _____

(name/s in block letters)

of _____

being the holders of ordinary shares in the capital of the company do hereby appoint (see note):

- 1. _____ or failing him,
- 2. _____ or failing him,
- 3. _____ the Chairperson of the general meeting,

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

	Number of shares		
	For	Against	Abstain
Ordinary resolution number 1			
Ordinary resolution number 2			

Signed at _____

on _____ 2002

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 ordinary shareholder at the meeting.

Notes

1. A shareholder entitled to attend and vote 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 Chairperson of the general meeting". A proxy need not be a shareholder of the company. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the shareholder in the appropriate box(es). 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 deems fit in respect of all the shareholders' votes.
3. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the general meeting.
4. If a shareholder does not indicate on this form that his 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 thinks fit.
5. The Chairperson 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.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. 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 this requirement is waived by the Chairperson of the general meeting.
8. 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 by the company.
9. Where there are joint holders of shares:
 - any one holder may sign the form of proxy;
 - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the company's register of 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).
10. Forms of proxy should be lodged with or mailed to Computershare Investor Services Limited for attention P Buys:

Hand Deliveries:	Postal Address:
7th Floor	PO Box 1053
11 Diagonal Street	Johannesburg
Johannesburg	2000
2001	

so as to be received by not later than 10:00 on Thursday, 26 September 2002.
11. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory(ies).



GOLD REEF

CASINO RESORTS