



GOLD REEF

RESORTS

Gold Reef Resorts Limited

(Incorporated in the Republic of South Africa)

(Registration number 1989/002108/06)

(Share code: GDF ISIN: ZAE00028338)

("the Company")

FURTHER CAUTIONARY ANNOUNCEMENT

1. INTRODUCTION

Further to the cautionary announcements released on 18 May 2007 and 25 June 2007, shareholders are advised that the Company has entered into exclusive discussions with a consortium of investors led by Ethos Private Equity Fund V and which includes, *inter alia*, management of the Company and the existing Black Economic Empowerment ("BEE") shareholders of the Company (the "Consortium") acting through Fluxrab Investments No. 159 (Proprietary) Limited ("Bidco") that may result in the making of an offer to acquire all of the existing issued and to be issued shares of the Company (excluding treasury shares) for 3 400 cents in cash for each share in the capital of the Company (the "Offer"), implying an enterprise value for the Company of approximately R11.6 billion.

2. PRE-CONDITIONS

As of the date of this announcement no statement of a firm intention to make an offer has been received by the board of the Company (the "Board").

The announcement by the Consortium of a firm intention to make the Offer is subject to the satisfaction or waiver of certain customary pre-conditions, including, *inter alia*, the execution of an agreement between the shareholders of Bidco, finalisation of Bidco's funding arrangements, the Board obtaining a favourable fair and reasonable opinion from an appropriate external adviser regarding the Offer and the Board recommending the Offer to shareholders.

It is envisaged that the Offer will be implemented by way of a scheme of arrangement in terms of section 311 of the Companies Act (61 of 1973), as amended (the "Scheme"). If the Scheme is implemented, the listing of the Company on the JSE Limited will be terminated.

3. SHAREHOLDER SUPPORT

Certain shareholders of the Company (as set out in further detail below), owning or entitled to, in aggregate 211 209 464 shares, equivalent to approximately 76%* of the Company's fully diluted shares, have irrevocably undertaken to the Consortium (subject to certain conditions) to accept the Offer in respect of their entire shareholdings. These undertakings shall cease to be of any force and effect should a firm offer in terms of The Securities Regulation Panel (the "SRP") Code on Take-overs and Mergers and Rules of the SRP be made by a party other than the Consortium prior to the Scheme meeting convened to consider the Offer, which is at least 10% higher in value than 3 400 cents per share and the Consortium fails to advise the Company in writing that it intends to better such competing offer within two business days and to announce such superior offer within ten business days.

The following sets out the details of those shareholders who have given such an undertaking:

Shareholder	Number of fully diluted shares held	Percentage of fully diluted issued share capital
Krok Family entities	71 910 971	25.90%
Casinos Austria International Holding GmbH	60 226 988	21.69%
Existing BEE shareholders*	69 206 412	24.93%
S B Joffe (director)*	6 283 333	2.26%
J S Friedman (director)*	1 967 093	0.71%
C Neuberger (director)*	1 370 000	0.49%
B J Biyela (director)*	201 333	0.07%
R T Moloko (director)*	33 334	0.01%
A J Aaron (director)	10 000	0.004%

*As members of the Consortium these shareholders may not be eligible to vote on the Scheme. In this event, shareholders holding approximately 48% of the Company's total fully diluted shares and approximately 67% of the Company's fully diluted shares which would then be eligible to vote on the Scheme can be regarded as having irrevocably undertaken to accept the Offer.

4. RENEWAL OF CAUTIONARY ANNOUNCEMENT

This announcement is not an announcement of a firm intention to make an offer by the Consortium or any other party.

Shareholders are advised that a detailed terms announcement, including salient dates and times, will be published if the Company receives notification from the Consortium of a firm intention to make an offer. Shareholders are therefore advised to continue to exercise caution when dealing in their shares until a further announcement is made.

Johannesburg
13 August 2007

Financial Adviser and Transaction Sponsor



Legal Advisers to the Company



Sponsor



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