

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretation set out on pages 12 to 16 of the document apply throughout this entire document, excluding the scheme.

Action required

1. Whilst this entire document is important and should be read, particular attention should be paid to the section entitled "Action required by Gold Reef shareholders" on pages 6 to 9.
2. If you are in any doubt as to what action you should take, please consult your broker, CSDP, banker, legal or tax advisor, accountant or other professional advisor as soon as possible.
3. If you have disposed of all your Gold Reef shares, this document should be handed to the purchaser of such Gold Reef shares or the broker, CSDP or other agent through whom such disposal was effected.



GOLD REEF RESORTS LIMITED

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

Fluxrab Investments No 159 (Proprietary) Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/043727/07)
("BidCo")

Documents relating to:

- a scheme of arrangement in terms of section 311 of the Companies Act proposed by BidCo between Gold Reef and the shareholders of Gold Reef, other than Aldiss, in terms of which BidCo will acquire the scheme shares and in exchange the scheme participants will receive the scheme consideration for each scheme share held by them on the consideration record date of the scheme, which is expected to be Monday, 31 December 2007; or
- if the scheme of arrangement does not become operative for any reason, other than the failure to obtain any necessary regulatory approvals (excluding the failure of the Court to sanction the scheme of arrangement), a possible general offer to shareholders of Gold Reef, other than Aldiss;

and incorporating:

- a notice of the scheme meeting;
- an explanatory statement in terms of section 312(1)(a)(i) of the Companies Act (blue);
- the scheme of arrangement (yellow);
- a valuation statement in terms of section 312(1)(a)(ii) of the Companies Act;
- a statement of directors' interests in terms of section 312(1)(a)(iii) of the Companies Act;
- additional information required by the SRP;
- the Order of Court convening the scheme meeting;
- a form of proxy for the scheme meeting (green) (for use by certificated shareholders and own-name dematerialised shareholders only); and
- a form of acceptance, surrender and transfer (white) (for use by certificated shareholders only).

The basic characteristic of the scheme of arrangement is that, upon implementation, BidCo will acquire the scheme shares. BidCo will as a result effectively acquire ownership and control of the underlying assets and businesses of Gold Reef. In terms of the scheme the scheme participants will receive the scheme consideration for each scheme share in Gold Reef held by such scheme participant on the consideration record date for the scheme.

Date of issue: **Friday, 5 October 2007**

Financial advisor and transaction sponsor to Gold Reef



Legal advisors to Gold Reef



Independent advisor to the board of Gold Reef



Sponsor to Gold Reef



Auditors of Gold Reef



Private equity sponsors and transaction arrangers for BidCo



Financial advisor to BidCo



Legal advisors to BidCo



DENEYS

REITZ
ATTORNEYS

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Webber Wentzel Bowers

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Legal advisors to BEE shareholders



Lenders



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**Cleary Gottlieb Steen
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ATTORNEYS

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This document is available in English only. Copies may be obtained from the registered office of Gold Reef, the transaction sponsor and the transfer secretaries whose addresses are set out in the corporate information and advisors section of this document.

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SUMMARY

The definitions and interpretation set out on pages 12 to 16 of this document apply throughout this summary.

THE SCHEME

BidCo is proposing a scheme of arrangement between Gold Reef and the shareholders of Gold Reef, other than Aldiss, in order to enable BidCo to obtain effective ownership and control of the underlying business and assets of Gold Reef. Should the scheme become operative, BidCo will acquire the scheme shares and the listing of Gold Reef shares on the JSE will be terminated. On implementation of the scheme, scheme participants will receive, against delivery of their scheme shares, the scheme consideration.

Gold Reef shareholders were informed on 24 April 2007 that a dividend of 55,0 cents had been declared for the financial year ended 31 December 2006. A further announcement on 25 June 2007 specified that the record date for this dividend was 20 July 2007 and the dividend was paid on 23 July 2007. No further dividend will be declared prior to the operative date for the scheme.

The scheme is set out in this document (yellow), commencing on page 24. The explanatory statement in respect of the scheme (blue), commences on page 20, which sets out the reasons for, and the procedures of, the scheme as well as its effects.

Also contained in this document are:

- the notice of scheme meeting;
- a valuation statement;
- a statement of directors' interests;
- additional information required by the SRP;
- the Order of Court convening the scheme meeting;
- a form of proxy for the scheme meeting (green) (for use by certificated shareholders and own-name dematerialised shareholders only); and
- a form of acceptance, surrender and transfer (white) (for use by certificated shareholders only).

The important dates and times in respect of the scheme commence on page 10 of this document.

THE GENERAL OFFER

Should the scheme not become operative for any reason, other than the failure to obtain any necessary regulatory approval (excluding a failure of the Court to sanction the scheme), BidCo may elect, subject to the fulfilment of the conditions precedent set out in paragraph 3.2 of Annexure IV, to make a general offer to shareholders, other than Aldiss, to acquire the offer shares for the offer consideration (as defined in Annexure IV).

The general offer will be conditional on BidCo receiving acceptances for the general offer in respect of at least 90% of Gold Reef's shares which are the subject of the general offer on or before 31 January 2008 or such other date as may be mutually agreed upon by BidCo and Gold Reef.

Gold Reef will not be paying a dividend prior to the final closing date of the general offer.

Should the general offer become unconditional, BidCo shall invoke the compulsory acquisition of those shares in respect of which the general offer was not accepted.

As regards the general offer, the form of acceptance, surrender and transfer (white) which is attached to this document will also be the form to be used by shareholders holding certificated shares who, in addition to tendering their shares in terms of the scheme, wish to tender their shares in terms of the general offer in the event that the scheme does not become operative and BidCo elects to proceed with the general offer.

For the purpose of the general offer, this document contains:

- the terms and conditions of the general offer, as set out in Annexure IV; and
- the wording of section 440K of the Companies Act, being the section of the Companies Act pertinent to the general offer, as set out in Annexure VI.

ACTION REQUIRED BY GOLD REEF SHAREHOLDERS

The definitions and interpretation set out on pages 12 to 16 of this document apply throughout this action required by Gold Reef shareholders.

Careful note should be taken of the following provisions regarding the action required to be taken by you as a shareholder in Gold Reef. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal or tax advisor, accountant or other professional advisor as soon as possible.

A. AS REGARDS THE SCHEME

A scheme meeting of scheme members will be held on Monday, 29 October 2007 at 09:00 at the registered office of Gold Reef. **Please refer to the explanatory statement commencing on page 20 of this document for further details.**

Non-voting shareholders shall not be entitled to attend or vote at the scheme meeting of shareholders of Gold Reef in respect of the non-voting shares.

1. IF YOU ARE A DEMATERIALISED SHAREHOLDER OTHER THAN AN OWN-NAME DEMATERIALISED SHAREHOLDER

1.1 Voting at the scheme meeting

Your CSDP or broker should contact you to ascertain how you wish to cast your vote at the scheme meeting and, thereafter, should cast your vote in accordance with your instructions regarding the scheme.

If you have not been contacted by your CSDP or broker, it would be advisable for you personally to contact your CSDP or broker and furnish it with your voting instructions, as to how you wish to cast your vote at the scheme meeting by the date stipulated in the custody agreement entered into between you and your CSDP or broker.

If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker. In the event that the custody agreement is silent in this respect your CSDP or broker will be obliged to abstain from voting your shares.

You must NOT complete the attached form of proxy (green) if you are a dematerialised shareholder other than an own-name dematerialised shareholder.

1.2 Attendance and representation at the scheme meeting and Court hearing in connection with the sanctioning of the scheme

In accordance with the custody agreement concluded between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend and vote at the scheme meeting or appear at the Court hearing to sanction the scheme or to send a proxy to represent you at the scheme meeting or appear at the Court hearing. In such event, your CSDP or broker will issue the necessary letter of representation to you to enable you or your proxy to attend or be represented at the scheme meeting and/or appear or be represented at the Court hearing to sanction the scheme.

1.3 Scheme consideration

Upon the scheme becoming operative, the scheme consideration will be paid to your CSDP or broker and your account held with your CSDP or broker will be credited with the scheme consideration and debited with your scheme shares, in accordance with the provisions of the custody agreement between you and your CSDP or broker, as the case may be.

2. IF YOU ARE AN OWN-NAME DEMATERIALISED SHAREHOLDER

2.1 Voting, attendance and representation at the scheme meeting

You are entitled to attend the scheme meeting in person and may vote at the scheme meeting or you may appoint a proxy to represent you at the scheme meeting by completing the attached form of proxy (green) in accordance with the instructions contained therein and returning it to the transfer secretaries to be received by no later than 09:00 on Friday, 26 October 2007.

Forms of proxy may also be handed to the chairperson of the scheme meeting not less than 10 minutes before the scheduled time for the commencement of the scheme meeting.

2.2 Attendance at the hearing of the Court in connection with the sanctioning of the scheme

You are entitled to attend or to be represented by counsel at the Court hearing for the sanctioning of the scheme which is to be held at 10:00, or so soon thereafter as the matter may be heard on Tuesday, 13 November 2007, in the High Court of South Africa (Witwatersrand Local Division) which is located at High Court Building, Von Brandis Square, corner Pritchard and Von Brandis Streets, Johannesburg.

2.3 Scheme consideration

The scheme consideration will be paid to your CSDP and your account held with your CSDP will be credited with the scheme consideration and debited with your scheme shares.

You must NOT complete the attached form of acceptance, surrender and transfer (white).

3. IF YOU ARE A CERTIFICATED SHAREHOLDER

3.1 Voting, attendance and representation at the scheme meeting

You are entitled to attend the scheme meeting in person and may vote at the scheme meeting or you may appoint a proxy to represent you at the scheme meeting by completing the attached form of proxy (green) in accordance with the instructions contained therein and returning it to the transfer secretaries to be received by no later than 09:00 on Friday, 26 October 2007.

Forms of proxy may also be handed to the chairperson of the scheme meeting not less than 10 minutes before the scheduled time for the commencement of the scheme meeting.

3.2 Attendance at the hearing of the Court in connection with the sanctioning of the scheme

You are entitled to attend or be represented by counsel at the Court hearing for the sanctioning of the scheme which is to be held at 10:00, or so soon thereafter as counsel may be heard on Tuesday, 13 November 2007, in the High Court of South Africa (Witwatersrand Local Division), which is located at High Court Building, Von Brandis Square, corner Pritchard and Von Brandis Streets, Johannesburg.

3.3 Surrender of document(s) of title

If the scheme becomes operative you will be required to surrender your document(s) of title in respect of all your shares in order to claim the scheme consideration, by completing the attached form of acceptance, surrender and transfer (white), in accordance with the instructions contained therein, and returning it, together with the relevant document(s) of title, to the transfer secretaries.

If you wish to anticipate the scheme becoming operative (expected to be on or about Monday, 31 December 2007) and thereby expedite receipt of the scheme consideration, you should complete the attached form of acceptance, surrender and transfer (white) and return it together with the relevant document(s) of title in accordance with the instructions contained therein, to the transfer secretaries. Should the scheme not become operative, the transfer secretaries shall, unless you have elected to accept the general offer, if made, within 5 (five) business days of either the date upon which it becomes known that the scheme will not become operative or of receipt of the required document(s) of title, whichever is the later, return the document(s) of title to you by registered post, at your risk.

The attention of certificated shareholders is drawn to the fact that if they surrender their document(s) of title in respect of any of their shares in advance, they will become unable to dematerialise or trade in those shares from the date of surrender. However, the right to attend and vote at any of the relevant scheme meetings will remain unaffected.

Document(s) of title held by certificated scheme participants in respect of their scheme shares will cease to be of any value and shall not be good for delivery from the operative date, other than for surrender.

3.4 **Scheme consideration**

If the scheme becomes operative and you surrender your document(s) of title on or before the consideration record date, cheques in respect of the scheme consideration will, on or about the operative date (expected to be Monday, 31 December 2007) be posted to you by the transfer secretaries at the address recorded in the register, by ordinary post, at your risk, unless written instructions to the contrary are timeously furnished in the form of acceptance, surrender and transfer (white). If you surrender your document(s) of title after the consideration record date, the transfer secretaries will post the cheques in respect of the scheme consideration within 5 (five) business days of receipt of your document(s) of title.

If the scheme does not become operative, any documents of title surrendered in respect of the scheme will be returned within 5 (five) business days after it becomes known that the scheme will not become operative, to the registered address of the shareholders concerned, at the risk of the shareholders concerned.

B. AS REGARDS THE GENERAL OFFER

In the event that the scheme is not implemented and the general offer is made, the following principles will apply:

1. IF YOU ARE A DEMATERIALISED SHAREHOLDER OTHER THAN AN OWN-NAME DEMATERIALISED SHAREHOLDER

1.1 Acceptance of the general offer

Your CSDP or broker should contact you in order to ascertain if you wish to accept the general offer and, if so, in respect of how many shares and thereafter communicate your acceptance of the general offer. If you are not contacted within a reasonable period of time, it would be advisable for you to contact your CSDP or broker and furnish it with your instructions regarding the general offer.

If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in terms of the custody agreement concluded between you and your CSDP or broker. In the event that the custody agreement is silent in this respect, your CSDP or broker will be obliged to not accept the general offer in respect of your shares.

You must NOT complete the attached form of acceptance, surrender and transfer (white).

1.2 Offer consideration

If the general offer is made and becomes unconditional, the offer consideration (as defined in Annexure IV), will be paid to your CSDP or broker and will thereupon be credited to your account held with your CSDP or broker.

2. IF YOU ARE AN OWN-NAME DEMATERIALISED SHAREHOLDER

2.1 Acceptance of the general offer

Your CSDP should contact you to ascertain if you wish to accept the general offer and, if so, in respect of how many shares and thereafter communicate your acceptance of the general offer. If you are not contacted within a reasonable period of time, it would be advisable for you to contact your CSDP and furnish it with your instructions.

If your CSDP does not obtain instructions from you, your CSDP will be obliged to act in terms of the custody agreement concluded between you and your CSDP. In the event that the custody agreement is silent in this respect, your CSDP will be obliged to not accept the general offer in respect of your shares.

You must NOT complete the attached form of acceptance, surrender and transfer (white).

2.2 Offer consideration

The offer consideration (as defined in Annexure IV), will be paid to your CSDP and will thereupon be credited to your account held with your CSDP.

Gold Reef does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker of dematerialised shareholders to notify such shareholders of any of the scheme meetings or any business to be conducted thereat.

3. IF YOU ARE A CERTIFICATED SHAREHOLDER

3.1 Acceptance of the general offer

You may accept the general offer in respect of all or a part of your shares. Acceptances are to be made by completing the attached form of acceptance, surrender and transfer (white) in accordance with the instructions contained therein and returning it to the transfer secretaries together with the document(s) of title in respect of your shares.

3.2 Offer consideration

If the general offer is made and becomes unconditional and you have accepted the general offer in respect of some or all of your shares and surrendered your document(s) of title to the transfer secretaries on or before the final closing date of the general offer (as defined in Annexure IV), payment of the offer consideration (as defined in Annexure IV) will be made on the offer payment date (as defined in Annexure IV). If the general offer is made and if you accept the general offer, but you only surrender your document(s) of title after the final closing date of the general offer, payment of the offer consideration will be made within 5 (five) business days of receipt of your document(s) of title by the transfer secretaries.

If the general offer is made and you do not accept the general offer, but have already surrendered your document(s) of title in pursuance of the scheme, your document(s) of title will be returned to you, by registered post, at your risk, within 5 (five) business days of the announcement that the general offer has been made.

Shareholders should note that, notwithstanding that the general offer may be accepted in respect of all or only a part of a shareholders' holding of shares, if BidCo elects to make the general offer it intends to acquire the offer shares (as defined in Annexure IV) and to then terminate the listing of the Gold Reef shares on the JSE.

C. OTHER IMPORTANT MATTERS

If you have disposed of all of your shares, this document should be handed to the purchaser of such shares or to the broker, CSDP, legal or tax advisor, banker, accountant or other agent through whom you disposed of such shares.

Shareholders are advised to consult their professional advisors about their personal tax positions regarding the receipt of the scheme consideration or the offer consideration.

If you wish to dematerialise or rematerialise (certificate), your shares, please contact a CSDP or your broker, although it must be noted that, in the event that the scheme is sanctioned by the Court, you will only be able to dematerialise or rematerialise your shares prior to 12:00 on Wednesday, 19 December 2007.

You do not need to dematerialise or rematerialise your shares to receive the scheme consideration and offer consideration, as the case may be.

IMPORTANT DATES AND TIMES

The definitions and interpretations set out on pages 12 to 16 of this document apply throughout these important dates and times, set out below.

| | |
|--|-----------------------------|
| Court hearing to convene scheme meeting | Tuesday, 2 October 2007 |
| Notice of scheme meeting and Order of Court released on SENS | Friday, 5 October 2007 |
| Notice of scheme meeting published in the press (<i>Business Day</i> and <i>Die Beeld</i>) | Friday, 5 October 2007 |
| Notice of scheme meeting published in the press (<i>Sunday Times</i> and <i>Rapport</i>) | Sunday, 7 October 2007 |
| Notice of scheme meeting published in the <i>Government Gazette</i> | Friday, 12 October 2007 |
| Last day to trade Gold Reef shares on the JSE in order to be recorded in the register on the voting record date of the scheme meeting (see note 2) | Thursday, 18 October 2007 |
| Voting record date for the scheme meeting on which shareholders must be recorded in the register to be eligible to vote at the scheme meeting (by 17:00) | Thursday, 25 October 2007 |
| Last day to lodge form of proxy (green) for the scheme meeting (by 09:00) (see notes 3 and 4) | Friday, 26 October 2007 |
| Forms of proxy may also be handed to the chairperson of the scheme meeting up to 10 minutes before the scheme meeting commences (on Monday, 29 October 2007) | |
| Scheme meeting held (at 09:00) | Monday, 29 October 2007 |
| Results of scheme meeting to be released on SENS | Monday, 29 October 2007 |
| Results of scheme meeting to be published in the press | Tuesday, 30 October 2007 |
| The report of the chairperson to be available for inspection from | Friday, 2 November 2007 |
| Court hearing to sanction the scheme (at 10:00 or as soon thereafter as Counsel may be heard) | Tuesday, 13 November 2007 |
| Outcome of Court hearing to be released on SENS | Tuesday, 13 November 2007 |
| Outcome of Court hearing to be published in the press | Wednesday, 14 November 2007 |
| Order of Court sanctioning the scheme registered by the Registrar | Friday, 16 November 2007 |

The dates below are subject to the fulfilment of the conditions precedent as set out in paragraph 5 of the scheme. To the extent that the conditions precedent have been or are not fulfilled by Tuesday, 11 December 2007, the dates set out below will be changed accordingly and any such changes will be released on SENS and published in the press.

| | |
|--|-----------------------------|
| Finalisation date announcement once all conditions precedent have been fulfilled to be released on SENS (by 11:00) | Tuesday, 11 December 2007 |
| Finalisation date announcement once all conditions precedent have been fulfilled to be published in the press | Wednesday, 12 December 2007 |
| Last day to trade Gold Reef shares on the JSE in order to be recorded in the register on the record date of the scheme | Wednesday, 19 December 2007 |
| Suspension of Gold Reef's listing on the JSE from the commencement of business | Thursday, 20 December 2007 |
| Consideration record date of the scheme on which shareholders must be recorded in the register in order to be eligible to receive the scheme consideration | Friday, 28 December 2007 |
| Operative date of the scheme, from the commencement of business | Monday, 31 December 2007 |
| Termination of Gold Reef's listing on the JSE from the commencement of business | Wednesday, 2 January 2008 |

The scheme consideration will be posted by the transfer secretaries on the operative date to certificated scheme participants (if the form of acceptance, surrender and transfer (white) and the document(s) of title are received by the transfer secretaries on or prior to 12:00 on the consideration record date of the scheme) or, failing such receipt, within 5 (five) business days of receipt of the form of acceptance, surrender and transfer and the relevant document(s) of title.

Dematerialised scheme participants will have their accounts held at their CSDP or broker credited with the scheme consideration.

In the event of the conditions precedent set out in paragraph 5 of the scheme not being fulfilled by Thursday, 31 January 2008, or such later date as Gold Reef and BidCo might agree to, the scheme will fail to become operative and will be of no force and effect.

Notes:

1. The abovementioned times are South African times and indicative only and are subject to change. Any change to the above dates and times will be agreed upon by Gold Reef and BidCo and advised to Gold Reef shareholders by notification on SENS and in the press.
2. Gold Reef shareholders should note that, as Gold Reef shares are settled in the Strate environment, settlement for trade takes place 5 (five) business days after the trade date. Therefore shareholders who acquire Gold Reef shares on the JSE after Thursday, 18 October 2007, will not be eligible to vote at the scheme meeting, although they will be entitled to participate in the scheme provided they are recorded in the register on the consideration record date.
3. If the scheme meeting is adjourned or postponed, forms of proxy (green) for the scheme meeting must be received by the transfer secretaries by no later than the business day prior to the adjourned or postponed meeting.
4. If the forms of proxy (green) are not received by the transfer secretaries by the time and date shown above, they may be handed to the chairperson of the scheme meeting by no later than 10 (ten) minutes before the commencement of the scheme meeting.
5. If you wish to dematerialise your shares, please contact your CSDP or broker. Although it must be noted that, in the event that the scheme is sanctioned by the Court, you will only be able to dematerialise your shares prior to 12:00 on Wednesday, 19 December 2007. Only dematerialised shares may be traded on the JSE.
6. The above important dates and times will not apply if the general offer is made. Should the general offer become effective, all dates and times pertinent thereto will be released on SENS and published in the press.
7. All references to times in this document relate to South African local times unless otherwise stated.

DEFINITIONS AND INTERPRETATION

In this document, excluding the scheme (yellow) appearing on pages 24 to 35, unless otherwise stated or the context indicates otherwise, the words in the first column shall have the meanings stated opposite them in the second column and related expressions shall bear corresponding meanings; words in the singular include the plural and *vice versa*; words denoting one gender include the other genders and references to a person include references to juristic persons and *vice versa*:

| | |
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| “30-day VWAP” | the 30-trading day volume weighted average price per ordinary share traded on the JSE; |
| “Aldiss” | Aldiss Investments (Proprietary) Limited (registration number 2001/002831/07), a wholly owned subsidiary of Gold Reef and the holder of 14 427 602 treasury shares; |
| “BEE shareholders” or “BEE consortium” | collectively, all the BEE groups which own an interest in Gold Reef, as detailed in Annexure V, beneficially owning 25,3% of the issued share capital of Gold Reef (excluding treasury shares), and which it is intended, on the operative date, will own 30,0% of Holdco; |
| “beneficial holder” | an owner of the beneficial interest in dematerialised Gold Reef shares who is recorded in the beneficial shareholder records maintained by a CSDP; |
| “BidCo” | Fluxrab Investments No 159 (Proprietary) Limited (registration number 2005/043727/07), which is a wholly owned subsidiary of Holdco; |
| “BidCo board” | the board of directors of BidCo from time to time; |
| “BidCo group” | Holdco and its subsidiaries from time to time; |
| “board” | the board of directors of Gold Reef from time to time; |
| “broker” | any person registered as a “broking member (equities)” in terms of the rules of the JSE made in accordance with the provisions of the Securities Services Act; |
| “business day” | any day other than a Saturday, Sunday or official public holiday in South Africa; |
| “certificated scheme members” | scheme members who hold certificated shares; |
| “certificated scheme participants” | scheme participants who hold certificated shares; |
| “certificated shareholders” | holders of certificated shares; |
| “certificated shares” | shares which have not been dematerialised, title to which is represented by a share certificate or other document(s) of title; |
| “CGT” | capital gains tax as levied in terms of Schedule 8 of the Income Tax Act, 1962 (Act 58 of 1962), as amended; |
| “Code” | the Securities Regulation Code on Take-overs and Mergers established by the SRP in terms of section 440C of the Companies Act; |
| “common monetary area” | South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland; |
| “Companies Act” | the Companies Act, 1973 (Act 61 of 1973), as amended from time to time, or any law that may replace it wholly or in part from time to time; |
| “competing offer” | as defined in clause 1.2.11 of the OIA and which is at least 10% higher than R34.00 a share; |
| “Competition Act” | the Competition Act, 1998 (Act 89 of 1998), as amended; |

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| “competition authorities” | the Competition Commission, Competition Tribunal and/or Competition Appeal Court established in terms of the Competition Act; |
| “compulsory acquisition” | the application of the provisions of section 440K of the Companies Act (the provisions of which are set out in Annexure VI to this document) to compulsorily acquire all the offer shares (as defined in Annexure IV) in respect of which the general offer was not accepted; |
| “conditions precedent” | the conditions precedent to which the scheme is subject, as set out in paragraph 5 of the scheme; |
| “consideration record date” | the latest date and time for shareholders to be recorded in the register in order to receive the scheme consideration, being 17:00 on the business day preceding the operative date, which business day is expected to be Friday, 28 December 2007; |
| “counsel” | any person (being an attorney or advocate) who is lawfully entitled to appear in the Court on behalf of another person; |
| “Court” | the High Court of South Africa (Witwatersrand Local Division), which is located at the High Court Building, Von Brandis Square, corner Pritchard and Von Brandis Streets, Johannesburg; |
| “CSDP” | a central securities depository participant, accepted as a participant in terms of the Securities Services Act; |
| “dematerialisation” | the process by which shares held by certificated shareholders are converted or held in electronic form as uncertificated shares and recorded in the subregister of shareholders maintained by a CSDP; |
| “dematerialised scheme members” | scheme members who hold dematerialised shares; |
| “dematerialised scheme participants” | scheme participants who hold dematerialised shares; |
| “dematerialised shareholders” | holders of dematerialised shares; |
| “dematerialised shares” | those shares which have been dematerialised in terms of the requirements of Strate and are held in electronic form; |
| “document” | this bound circular, dated Friday, 5 October 2007, including its annexures, attachments and forms; |
| “documents of title” | ordinary share certificates, certified transfer deeds, balance receipts and any other document of title to ordinary shares acceptable to the board; |
| “emigrant” | any emigrant from the common monetary area whose address is outside the common monetary area; |
| “Ethos” | Ethos Private Equity Limited (registration number 2004/003984/06); |
| “exchange control regulations” | the Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended; |
| “explanatory statement” | the explanatory statement in terms of section 312(1)(a)(i) of the Companies Act, which forms part of this document; |
| “firm intention announcement” | the announcement of the firm intention of BidCo to make an offer to acquire the scheme shares, pursuant to the scheme or, if applicable, the general offer, released on Reuters on Monday, 3 September 2007 and on SENS on Tuesday, 4 and Friday, 7 September 2007; |
| “form of proxy (green)” | the form of proxy for the scheme meeting attached to this document, for use by certificated shareholders and own-name dematerialised shareholders only; |

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| “form of acceptance, surrender and transfer (white)” | the form of acceptance, surrender and transfer attached to this document, for use by certificated shareholders only; |
| “Gambling Act” | National Gambling Act, 2004 (Act 7 of 2004), as amended; |
| “gambling boards” | the relevant gambling boards under the jurisdiction of which certain of the operations of Gold Reef are regulated; |
| “general offer” | the general offer by BidCo to the offerees (as defined in Annexure IV), which general offer may, if BidCo so elects, subject to the conditions precedent to which such general offer is subject, be made only if it is announced on SENS and in the press that the scheme will not proceed and accordingly that the scheme will not become operative for any reason, other than the failure to obtain any necessary regulatory approvals (excluding the failure of the Court to sanction the scheme); |
| “Gold Reef” or “the company” | Gold Reef Resorts Limited (registration number 1989/002108/06), a company listed on the JSE; |
| “Gold Reef group” | Gold Reef and its subsidiaries from time to time; |
| “Gold Reef Share Scheme” | the Gold Reef Share Scheme, administered through the Gold Reef Share Trust; |
| “Gold Reef Share Scheme participants” | those persons who hold rights under the terms of the Gold Reef Share Scheme to acquire Gold Reef shares; |
| “Gold Reef Share Trust” | the Gold Reef Share Scheme (Master’s reference number IT 10752/99), a holder of the treasury shares; |
| “Goldman Sachs” | investment subsidiaries of and real estate investment funds sponsored and managed by Goldman Sachs International and its affiliates; |
| “Holdco” | Fluxrab Investments No 160 (Proprietary) Limited, (registration number 2005/042950/07), the holding company of BidCo, and which will be controlled as set out in Annexure V; |
| “incentive shares” | Gold Reef shares to be issued to Gold Reef Share Scheme participants and staff as set out in paragraph 7 of the additional information section on page 45 of this document; |
| “independent advisor” | Ernst & Young Advisory Services Limited (registration number 2006/018260/06); |
| “JSE” | JSE Limited (registration number 2005/022939/06), licenced as an exchange under the Securities Services Act; |
| “key management” | certain members of management of Gold Reef, including but not limited to Messrs S B Joffe, J S Friedman, B J Biyela and C Neuberger, who will invest in Holdco; |
| “last practicable date” | the last practicable date prior to the finalisation of this document, being Tuesday, 2 October 2007; |
| “non-voting shareholders” | collectively, those members of the BEE consortium and key management who will utilise the proceeds of the scheme consideration for the non-voting shares due to them to subscribe, directly or indirectly, for new shares in Holdco, to the extent of the votes attaching to the non-voting shares; |
| “non-voting shares” | 42 974 023 Gold Reef shares held by the non-voting shareholders in respect of which the scheme consideration will be utilised to subscribe for new shares in Holdco; |
| “offer” | the offer by BidCo to acquire all the issued and to be issued shares, other than the shares held by Aldiss, of Gold Reef, as described in the firm intention announcement; |

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| “offer implementation agreement” or “OIA” | the Offer Implementation Agreement between Gold Reef and BidCo concluded on Monday, 3 September 2007; |
| “operative date” | the date on which the scheme will become operative, which operative date will be notified to shareholders by way of an announcement to be released on SENS and published in the press and which is expected to be Monday, 31 December 2007; |
| “own-name dematerialised shareholders” | shareholders who have instructed the CSDP to hold their dematerialised shares in their own name on the subregister (the list of dematerialised shareholders maintained by the CSDP and forming part of Gold Reef’s register of shareholders); |
| “rand” or “R” | South African rand, the official currency of South Africa; |
| “register” | the register of certificated shareholders maintained by the transfer secretaries on behalf of Gold Reef and the sub-register of dematerialised shareholders maintained by the relevant CSDPs in terms of sections 105 and 91A respectively, of the Companies Act; |
| “Registrar” | the Registrar of Companies in South Africa; |
| “reorganisation” | the transfer of Gold Reef group’s gambling licences and operations to Fluxrab 158 (Proprietary) Limited (registration number 2005/044076/07) or other subsidiaries or associated companies of Gold Reef or BidCo, as the case may be; |
| “restricted period” | the period commencing 1 January 2007 and ending on the last practicable date; |
| “Reuters” | Reuters Group PLC (registration number 329375) a global information company providing information for professionals in the financial services, media and corporate markets; |
| “scheme” or “scheme of arrangement” | the scheme of arrangement in terms of section 311 of the Companies Act proposed by BidCo between Gold Reef and the Gold Reef shareholders, other than Aldiss, in terms of which BidCo will acquire the scheme shares and in exchange the scheme participants will receive the scheme consideration; |
| “scheme consideration” | the consideration to be received by each scheme participant for each scheme share held by him/her in terms of the scheme, being R34,00 per Gold Reef share, which will increase by one South African cent per share per business day from Tuesday, 1 January 2008 until the date upon which the scheme becomes operative, if applicable; |
| “scheme meeting” | the meeting of scheme members to be convened by the Court in terms of section 311 of the Companies Act to be held at 09:00 in the boardroom at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa on Monday, 29 October 2007 or any adjournment thereof, to consider and, if thought fit, agree to the scheme; |
| “scheme members” | shareholders, other than Aldiss and the non-voting shareholders, recorded in the register as such on the voting record date, and who are therefore entitled to attend and vote at the scheme meeting; |
| “scheme participants” | shareholders, other than Aldiss, recorded in the register as such on the consideration record date, and who are therefore entitled to receive the scheme consideration; |
| “scheme shares” | all Gold Reef shares, other than the 14 427 602 treasury shares held by Aldiss, held by scheme participants on the consideration record date; |
| “Securities Services Act” | the Securities Services Act, 2004 (Act 36 of 2004), as amended; |
| “SENS” | the Securities Exchange News Service of the JSE; |

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| “share exchange” | the transactions in terms of which Gold Reef acquired the entire BEE shareholding in most of the subsidiaries, joint venture and management contracts of Gold Reef, as detailed in the circular to Gold Reef shareholders dated 2 May 2007 and approved by the requisite number of Gold Reef shareholders at a general meeting held on Tuesday, 22 May 2007, and in terms of which Gold Reef issued 55 206 412 new Gold Reef shares and made a cash payment; |
| “shareholders” or “Gold Reef shareholders” | the registered holders of Gold Reef shares; |
| “shares” or “Gold Reef shares” | the shares with a par value of 2 cents each in the issued share capital of Gold Reef; |
| “South Africa” or “RSA” | the Republic of South Africa; |
| “SRP” | the South African Securities Regulation Panel, established in terms of section 440B of the Companies Act; |
| “staff award shares” | Gold Reef shares to be issued to Messrs S B Joffe, J S Friedman and C Neuberger and as set out in paragraph 7 of the additional information section on page 45 of this document; |
| “stamp duty” | the duty leviable in terms of Item 15(3) of Schedule 1 to the Stamp Duties Act, 1968 (Act 77 of 1968), as amended; |
| “Strate” | the settlement and clearing system utilised by the JSE for all transactions concluded on the JSE, managed by Strate Limited (registration number 1998/022242/06), which is a licensed central securities depository in terms of the Securities Services Act; |
| “subsidiary” | a subsidiary company as defined in terms of the Companies Act; |
| “the top-up transaction” | the specific issue of 14 000 000 new Gold Reef shares for cash at R20,50 per Gold Reef share, as detailed in the circular to Gold Reef shareholders dated 2 May 2007 and approved by the requisite number of Gold Reef shareholders at a general meeting held on Tuesday, 22 May 2007; |
| “transfer secretaries” | Link Market Services South Africa (Proprietary) Limited (registration number 2000/007239/07); |
| “treasury shares” | 14 427 602 Gold Reef shares held by Aldiss and 2 213 518 Gold Reef shares held by the Gold Reef Share Trust; and |
| “voting record date” | the latest time and date for shareholders to be recorded in the register in order to be entitled to vote at the scheme meeting, being 17:00 on the business day which is 2 (two) business days before the scheme meeting, which business day is expected to be Thursday, 25 October 2007. |

NOTICE OF SCHEME MEETING

**IN THE HIGH COURT OF SOUTH AFRICA
(WITWATERSRAND LOCAL DIVISION)**

Case number: 20663/07

In the *ex parte* application of:

GOLD REEF RESORTS LIMITED
(Registration number 1989/002108/06)

Applicant

NOTICE IS HEREBY GIVEN that, in terms of an Order of Court dated Tuesday, 2 October 2007, the High Court of South Africa (Witwatersrand Local Division) (the "**Court**") has ordered, in accordance with the provisions of section 311 of the Companies Act (61 of 1973, as amended) (the "**Companies Act**"), that a meeting (the "**Scheme Meeting**") of the shareholders of the Applicant, other than Aldiss Investments (Proprietary) Limited (a wholly-owned subsidiary of the Applicant and the holder of 14 427 602 treasury shares in the Applicant) ("**Aldiss**"), registered as such in the Applicant's share register and of the registered dematerialised shareholders of the Applicant reflected as such in the sub-registers of the Applicant maintained by the Central Securities Depository Participants ("**CSDP**"), both at 17:00 on Thursday, 25 October 2007 or, if this Scheme Meeting is adjourned, at 17:00 on the business day that is 2 (two) business days before the date of such adjourned meeting (the "**Scheme Members**"), be held under the chairmanship of Advocate Ahmed Rafik Bhana, or failing him, Mziwandile Ezra Clavis Davids or, failing both of them, any other independent person nominated for that purpose by Edward Nathan Sonnenbergs Incorporated and approved by the Court (the "**Chairperson**"), at 09:00, on Monday, 29 October 2007 (or any adjourned time or date as determined by the Chairperson) in the boardroom at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa for the purpose of considering and, if deemed fit, of approving, with or without modification, the scheme of arrangement (the "**Scheme**") proposed by Fluxrab Investments No 159 (Proprietary) Limited (the "**Offeror**") between the Applicant and the shareholders of the Applicant, other than Aldiss, registered as such on the record date for the Scheme and who are therefore entitled to receive consideration in respect of their shares (the "**Scheme Participants**"); provided that the Scheme Meeting shall not be entitled to agree to any modification of the Scheme which will have the effect of diminishing the rights that are to accrue in terms thereof to Scheme Participants.

The implementation of the Scheme is subject to the fulfilment of the conditions precedent stated therein including, but not limited to, the sanction of the Scheme by the Court.

The basic essence of the Scheme is that, upon implementation, the Offeror will acquire all the issued shares of the Applicant, other than the issued shares held by Aldiss, and will as a result effectively acquire control and ownership of the underlying assets and businesses of the Applicant. In terms of the Scheme, the Scheme Participants will receive R34,00 (the "Scheme Consideration") for each share in the Applicant (the "Scheme Share") held by such Scheme Participant on the consideration record date, which Scheme Consideration is expected to be paid on Monday, 31 December 2007. The consideration will be increased by one South African cent per Scheme Share per business day from 1 January 2008 until the operative date of the Scheme, if applicable.

Copies of this notice, the Scheme, the explanatory statement in terms of section 312(1)(a)(i) of the Companies Act, the form of proxy to be used at the Scheme Meeting, the Order of Court authorising the convening of the Scheme Meeting and a form of acceptance, surrender and transfer shall be sent by the Applicant by pre-paid registered post at least 14 (fourteen) calendar days before the date of the Scheme Meeting to: (a) each shareholder whose name appears on the Applicant's register and sub-registers, to that shareholder's address appearing in the register and relevant sub-register (as the case may be) and (b) each person who is beneficially entitled to shares in the Applicant, to that person's address identified by the Applicant's transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) (the "**Transfer Secretaries**"). The identification of each such shareholder and person beneficially entitled to the Applicant's shares and their respective addresses shall be performed by the Transfer Secretaries and shall take place at 17:00 on the day not more than 5 (five) business days (being a day other than a Saturday, Sunday or gazetted South African public holiday) before the date of posting. In addition, copies may on request by the shareholders of the Applicant

during normal business hours be inspected or obtained free of charge, at any time prior to the Scheme Meeting or any adjournment thereof, at the registered office of the Applicant, at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa.

Each Scheme Member who holds certificated shares in the Applicant (the “**Certificated Scheme Member**”) or who holds dematerialised shares in the Applicant through a CSDP or broker and has selected “own-name” registration (“**Dematerialised Own Name Scheme Member**”) may attend, speak and vote in person at the Scheme Meeting or any adjournment thereof, or may appoint any other person or persons (who need not be shareholders of the Applicant) as a proxy or proxies to attend, speak and vote, or abstain from voting at the Scheme Meeting or any adjournment thereof in the place of such Certificated Scheme Member or Dematerialised Own Name Scheme Member.

A form of proxy (green) for this purpose, for completion by Certificated Scheme Members and Dematerialised Own Name Scheme Members only, is included in the document which has been, or will be, posted to all holders of shares in the Applicant at their addresses as recorded in the register of members of the Applicant at the close of business 4 (four) business days before the date of such posting and in respect of holders of dematerialised shares, at the addresses as notified by Strate Limited to the Transfer Secretaries at the close of business not more than 4 (four) business days before the date of such posting. If more than 1 (one) proxy is appointed on a single form of proxy, then only 1 (one) of those proxies (in order of appointment) will be entitled to exercise that proxy. In the case of joint Certificated Scheme Members and joint Dematerialised Own Name Scheme Members, the vote of the senior Certificated Scheme Member or senior Dematerialised Own Name Scheme Member (seniority will be determined by the order in which the names of the joint Certificated Scheme Members or joint Dematerialised Own Name Scheme Members stand in the Applicant’s register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote of the other joint Certificated Scheme Member(s) or joint Dematerialised Own Name Scheme Member(s).

Each form of proxy should be properly completed and signed in accordance with the instructions contained therein and lodged with or posted to the Transfer Secretaries, so as to be received by no later than 09:00 on Friday, 26 October 2007 or on the business day immediately preceding any adjourned Scheme Meeting, or handed to the Chairperson no later than 10 (ten) minutes before the time for which the Scheme Meeting has been convened. Notwithstanding the foregoing, the Chairperson may approve in the Chairperson’s discretion the use of any other form of proxy.

Each Scheme Member who holds dematerialised shares in the Applicant through a CSDP or broker, who wishes to attend, speak and vote at the Scheme Meeting or adjournment thereof, in person or by proxy should: (a) timeously inform his CSDP or broker of his intention to attend and vote in person at the Scheme Meeting or adjournment thereof or be represented by proxy thereat in order for the CSDP or broker to issue him with the necessary authorisation to do so or (b) timeously provide his CSDP or broker with his voting instruction in terms of their custody agreement should he not wish to attend the Scheme Meeting in person, in order for the CSDP or broker to vote in accordance with his instruction at the Scheme Meeting. The CSDP or broker will then provide the Transfer Secretaries with a form of proxy in terms of each individual. Where there are joint holders of the Applicant’s shares, any one of such persons may vote at the Scheme Meeting or adjournment thereof in respect of those shares as if such joint holder was solely entitled thereto, but if more than 1 (one) of the joint holders is present or represented at the Scheme Meeting or adjournment thereof, then the joint holder whose name appears first in the Applicant’s register of members in respect of such shares (or his proxy) will be entitled to vote in respect of those shares at the Scheme Meeting. If more than 1 (one) proxy is appointed on a single proxy, then only 1 (one) of these proxies (in order of appointment) will be entitled to exercise that proxy.

Each person who holds a beneficial interest in dematerialised shares in the Applicant (the “**Dematerialised Scheme Member**”) and has not selected “own-name” registration may attend, speak and vote in person at the Scheme Meeting or adjournment thereof, only if such Dematerialised Scheme Member informs its CSDP or broker timeously of its intention to attend and vote at the Scheme Meeting or adjournment thereof or be represented by proxy thereat, in order for its CSDP or broker to issue it with the necessary authorisation to do so, or such Dematerialised Scheme Member provides its CSDP or broker timeously with its voting instruction should such Dematerialised Scheme Member not wish to attend the Scheme Meeting or adjournment thereof in person in order for the CSDP or broker to vote in accordance with its instruction at the Scheme Meeting or adjournment thereof. The CSDP or broker will then provide the Transfer Secretaries with a form of proxy in terms of each individual Dematerialised Scheme Member’s instruction.

Holders of shares (whether certificated or dematerialised) who hold such shares through a nominee should timeously make the arrangements with that nominee or, if applicable, CSDP or broker, to enable them to attend and vote at the Scheme Meeting or to enable their votes in respect of their shares in the Applicant to be cast at the Scheme Meeting by that nominee or a proxy or a representative.

In terms of section 311(2)(b) of the Companies Act, the Scheme requires the approval at the Scheme Meeting of a majority representing not less than $\frac{3}{4}$ (three-quarters) of the votes exercisable by the Scheme Members present and voting either in person or by proxy at the Scheme Meeting or adjournment thereof.

In terms of the Order of Court, the Chairperson must report the result thereof to the Court on Tuesday, 13 November 2007 at 10:00 or so soon thereafter as Counsel may be heard. A copy of the Chairperson's report to the Court will be available, free of charge, to any Scheme Member on request, at the registered office of the Applicant during normal business hours for at least 7 (seven) calendar days prior to Tuesday, 13 November 2007 or any extension of such date.

Copies of this notice, the form of proxy to be used at the Scheme Meeting, the Scheme, the explanatory statement in terms of section 312 of the Companies Act explaining the Scheme and the Order of Court convening the Scheme Meeting may be obtained on request, free of charge, from the Applicant at the time and places mentioned below and have been, or will be, posted to all holders of shares in the Applicant at their addresses as recorded in the register of members of the Applicant at the close of business 4 (four) business days before the date of such posting and in respect of holders of dematerialised shares, at the addresses as notified by Strate Limited to the Transfer Secretaries, such names and addresses having been determined as at 17:00 not more than 4 (four) business days before the date of such posting. Such documents may be inspected, during normal business hours, up to and including, the Scheme Meeting or any adjournment thereof, at the registered office of the Applicant at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, the office of the Transfer Secretaries and at the office of the Chairperson, c/o the Applicant's attorneys, whose address is given at the foot of this notice.

Ahmed Rafik Bhana

Chairperson of the Scheme Meeting

EDWARD NATHAN SONNENBERGS INCORPORATED

Applicant's attorneys

150 West Street, Sandown, Sandton, 2196

Tel: (011) 269-7600

Fax: (011) 269-7899

Ref: Pat Cronin/Richard Bell

c/o FLUXMANS INCORPORATED

11 Biermann Avenue

Rosebank, 2196

Johannesburg

Private Bag 41, Saxonwold, 2132

Docex 54, Johannesburg

Tel: (011) 328 1700

Fax: (011) 880 2261

Ref: B Blumenthal



GOLD REEF RESORTS LIMITED

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

Fluxrab Investments No 159 (Proprietary) Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/043727/07)
("BidCo")

EXPLANATORY STATEMENT ON THE EFFECTS OF THE SCHEME IN TERMS OF SECTION 312(1)(a)(i) OF THE COMPANIES ACT

The definitions and interpretation set out on pages 12 to 16 of this document apply throughout this explanatory statement.

1. INTRODUCTION

- 1.1 It was announced on Reuters on Monday, 3 September 2007 and on SENS on Tuesday, 4 and Friday, 7 September 2007 that BidCo had submitted to the board a firm intention to make an offer to acquire the scheme shares.
- 1.2 The offer is to be implemented by way of a scheme of arrangement in terms of section 311 of the Companies Act proposed by BidCo between Gold Reef and its shareholders, other than Aldiss.
- 1.3 Following the implementation of the scheme, all the scheme shares will be held by BidCo and the listing of the Gold Reef shares on the JSE will be terminated.
- 1.4 The purpose of this document is to provide shareholders with all the information pertinent to the scheme in accordance with the requirements of the Companies Act and the SRP.
- 1.5 This explanatory statement sets out the reasons for and the effects and procedures of the scheme, provides information in compliance with the Companies Act and the SRP Code, and does not constitute the scheme itself. The scheme (yellow) is set out in full in the section commencing on page 24 of this document. For a full understanding of the detailed terms and conditions of the scheme, the scheme should be read in its entirety.

2. THE SCHEME

2.1 Rationale for the scheme

- 2.1.1 BidCo wishes to acquire ownership of, and control over, Gold Reef with the ultimate purpose of acquiring effective ownership and control of the underlying assets and businesses of Gold Reef.
- 2.1.2 The rationale for the scheme is to provide Gold Reef shareholders with the opportunity to realise significant value for their investment. In the view of the board, the scheme consideration reflects significant value for the strong position and future growth prospects of Gold Reef and represents a significant premium to the price at which Gold Reef shares have previously traded on the JSE, being a premium of:
 - 2.1.2.1 48,5% to the closing price of a Gold Reef share on the JSE of R22,90 on 8 March 2007, being the last trading day prior the publication of the further cautionary announcement on 9 March 2007; and
 - 2.1.2.2 44,5% to the 30-day VWAP, up to and including 8 March 2007, being R23,53.

2.2 Nature and mechanics of a scheme of arrangement

2.2.1 In terms of section 311 of the Companies Act, a scheme of arrangement between a company and its members (or any class of its members), will become binding on that company and all members of the relevant class (whether or not such member agrees with the scheme of arrangement and is willing to be bound) if:

2.2.1.1 a meeting of members has been summoned in a manner directed by the Court;

2.2.1.2 the scheme of arrangement is agreed to by a majority representing not less than three-fourths of the votes exercised by scheme members present and voting, either in person or by proxy, at such meeting;

2.2.1.3 after such approval, the scheme of arrangement is sanctioned by the Court at an open hearing; and

2.2.1.4 the Order of Court sanctioning the scheme of arrangement is lodged with, and registered by, the Registrar.

2.2.2 The Court has granted an Order (a copy of which is set out on pages 82 to 85 of this document) in terms of which a scheme meeting of Gold Reef shareholders is to be convened to consider the scheme.

2.3 Procedure

2.3.1 The scheme meeting

2.3.1.1 The scheme will be put to a vote at the scheme meeting to be held at 09:00 at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa on Monday, 29 October 2007 or at any adjournment thereof. The notice convening the scheme meeting is set out on pages 17 to 19 of this document.

2.3.1.2 Each certificated scheme member or own-name dematerialised scheme member who is recorded in the register on the voting record date, may attend, speak and vote at the scheme meeting in person or appoint a proxy (including the chairperson of the scheme meeting) to represent him at the scheme meeting.

2.3.1.3 Each certificated scheme member or own-name dematerialised scheme member wishing to vote by proxy at the scheme meeting, should complete and sign the form of proxy (green) in accordance with the instructions contained therein and post such form of proxy (green) to, or lodge it with, the transfer secretaries so as to be received no later than 09:00 on Friday, 26 October 2007 or the business day immediately preceding any adjourned scheme meeting. Alternatively, the form of proxy (green) may be handed to the chairperson of the scheme meeting not less than ten minutes before the time for which the scheme meeting or any adjournment thereof has been convened. Notwithstanding the foregoing, the chairperson of the scheme meeting (or any adjourned scheme meeting) may approve, in the chairperson's discretion, the use of any other form of proxy.

2.3.1.4 Scheme members who oppose the scheme may:

2.3.1.4.1 **vote against the scheme, either in person or by proxy; and/or**

2.3.1.4.2 **voice their opinions at the scheme meeting; and/or**

2.3.1.4.3 **make representations to the Court (if the scheme is approved at the scheme meeting by the requisite majority) at the time of the Court hearing referred to in 2.3.2 as to why the scheme should not be sanctioned.**

2.3.1.5 Each dematerialised scheme member, who wishes to attend and vote at the scheme meeting in person or by proxy should (a) timeously inform his CSDP or broker of his intention to attend and vote in person at the scheme meeting or to be represented by proxy thereat in order for the CSDP or broker to issue him with the necessary Letter of Representation to do so, or (b) timeously provide his CSDP or broker with his voting instruction in terms of their custody agreement should he not wish to attend the scheme meeting in person, in order for the CSDP or broker to vote in accordance with his instructions at the scheme meeting.

2.3.2 **Court hearing**

2.3.2.1 If the scheme is approved by the requisite majority of scheme members at the scheme meeting, application will be made to the Court to sanction the scheme at 10:00, or so soon thereafter as the matter may be heard, on Tuesday, 13 November 2007. The Court is located at the High Court Building, Von Brandis Square, corner Pritchard and Von Brandis Streets, Johannesburg.

2.3.2.2 **The scheme members are entitled to attend the Court hearing to sanction the scheme in person, or to be represented by counsel and to be heard concerning any objections they may have to the scheme.**

2.3.2.3 It is possible that, when application is made to Court to sanction the scheme, the scheme may still be subject to the approval of the competition authorities and/or other regulatory authorities (as referred to in paragraph 5 of the scheme). In such event, Gold Reef will request the Court to sanction the scheme subject to the fulfilment of the applicable conditions precedent relating to the approval of the relevant authorities.

2.3.2.4 If the Court sanctions the scheme, the Order of Court sanctioning the scheme will be lodged with the Registrar for registration. When the Order of Court is registered, which is expected to occur on Friday, 16 November 2007, the scheme will become binding on all scheme participants, including those who voted against the scheme or who did not attend or vote at the scheme meeting.

2.4 **Effects of the scheme**

2.4.1 If the scheme becomes operative:

2.4.1.1 scheme participants shall be deemed, with effect from the operative date, to have disposed of all of their scheme shares to BidCo;

2.4.1.2 scheme participants shall become entitled to receive the scheme consideration; and

2.4.1.3 the listing of the Gold Reef shares on the JSE will be terminated.

2.4.2 Gold Reef will procure:

2.4.2.1 the transfer of the scheme shares to BidCo or its nominee on behalf of each scheme participant;

2.4.2.2 registration of the certificated scheme shares disposed of by the certificated scheme participants in the name of BidCo or its nominee; and

2.4.2.3 the collection on behalf of each scheme participant of the scheme consideration from BidCo and the payment of the scheme consideration to each scheme participant in accordance with the provisions of the scheme.

2.5 **Procedures for surrender of document(s) of title and the settlement of scheme consideration**

The procedures for surrender of document(s) of title and settlement of the scheme consideration are set out in detail in paragraphs 6 to 9 of the scheme.

3. **CONDITIONS PRECEDENT**

3.1 The scheme is subject to the fulfilment, or where permissible, waiver, of the following conditions precedent by Thursday, 31 January 2008; provided that Gold Reef and BidCo shall be entitled to extend this date by agreement at any time before Thursday, 31 January 2008:

3.1.1 the scheme being approved at the scheme meeting by a majority representing not less than three-fourths of the votes exercisable by the scheme members present and voting, either in person or by proxy, at the scheme meeting or any adjournment thereof;

3.1.2 the Court sanctioning the scheme;

3.1.3 in the case of the sanctioning of the scheme by the Court, a certified copy of the Order of Court sanctioning the scheme being registered by the Registrar in terms of the Companies Act;

- 3.1.4 the competition authorities approving the offer in terms of the Competition Act, either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo;
 - 3.1.5 the gambling boards approving the offer and the reorganisation in terms of the Gambling Act, either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo;
 - 3.1.6 the Exchange Control Division of the South African Reserve Bank approving the offer in terms of the exchange control regulations either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo; and
 - 3.1.7 all approvals to the extent necessary in respect of the offer being received, including but not limited to approvals from the SRP.
- 3.2 If Gold Reef and BidCo extend the date for fulfilment of the conditions precedent as contemplated above, Gold Reef will advise Gold Reef shareholders of this fact by way of an announcement released on SENS and published in the press.
- 3.3 Gold Reef has undertaken to release on SENS, and publish in the press, as soon as practicable, details of the fulfilment or non-fulfilment of the conditions precedent referred to above.

4. FUNDING AND CASH CONFIRMATION

- 4.1 The aggregate scheme consideration will be funded by a combination of:
- equity funding provided by funds owned and/or managed by Ethos, and by investment subsidiaries of Goldman Sachs and the real estate investment funds sponsored and managed by Goldman Sachs, by the BEE shareholders and key management; and
 - debt funding provided by a group of banks, including Goldman Sachs and Nedbank Corporate, a division of Nedbank Limited.
- 4.2 In terms of Rule 2.3.2(b) and Rule 21.7 of the Code, the SRP has been provided with the necessary cash confirmation letters.
- 4.3 The BEE shareholders and key management have undertaken to reinvest the scheme consideration received for the non-voting shares pursuant to the scheme.

5. NON-SOUTH AFRICAN SHAREHOLDERS

As regards scheme participants resident in, or citizens of, jurisdictions outside of South Africa ("**overseas scheme participants**"), the scheme may be affected by the laws of the relevant jurisdictions. Such overseas scheme participants should inform themselves about and observe any applicable legal requirements. It is the responsibility of the overseas scheme participants to satisfy themselves as to the full observance of such laws including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with any other necessary formalities which are required to be observed and the payment of any transfer or other taxes due in such jurisdictions.

For and on behalf of the board

GOLD REEF RESORTS LIMITED

J S Friedman
Director

Johannesburg
5 October 2007

For and on behalf of the board

**FLUXRAB INVESTMENTS NO 159
(PROPRIETARY) LIMITED**

C N Zephyrine
Director

Johannesburg
5 October 2007



GOLD REEF RESORTS LIMITED

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

Fluxrab Investments No 159 (Proprietary) Limited

(Incorporated in the Republic of South Africa)
 (Registration number 2005/043727/07)
 ("BidCo")

THE SCHEME OF ARRANGEMENT IN TERMS OF SECTION 311 OF THE COMPANIES ACT

1. DEFINITIONS AND INTERPRETATION

| | |
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| "30-day VWAP" | the 30-trading day volume weighted average price per ordinary share traded on the JSE; |
| "Aldiss" | Aldiss Investments (Proprietary) Limited (registration number 2001/002831/07), a wholly owned subsidiary of Gold Reef and the holder of 14 427 602 treasury shares; |
| "BEE shareholders" or "BEE consortium" | collectively, all the BEE groups which own an interest in Gold Reef, as detailed in Annexure V, beneficially owning 25,3% of the issued share capital of Gold Reef excluding treasury shares, and which, it is intended, on the operative date, will own 30,0% of Holdco; |
| "beneficial holder" | an owner of the beneficial interest in dematerialised Gold Reef shares who is recorded in the beneficial shareholder records maintained by a CSDP; |
| "BidCo" | Fluxrab Investments No 159 (Proprietary) Limited, (registration number 2005/043727/07), which is a wholly-owned subsidiary of Holdco; |
| "BidCo board" | the board of directors of BidCo from time to time; |
| "BidCo group" | Holdco and its subsidiaries from time to time; |
| "board" | the board of directors of Gold Reef from time to time; |
| "broker" | any person registered as a "broking member (equities)" in terms of the rules of the JSE made in accordance with the provisions of the Securities Services Act; |
| "business day" | any day other than a Saturday, Sunday or official public holiday in South Africa; |
| "certificated scheme members" | scheme members who hold certificated shares; |
| "certificated scheme participants" | scheme participants who hold certificated shares; |
| "certificated shareholders" | holders of certificated shares; |
| "certificated shares" | shares which have not been dematerialised, title to which is represented by a share certificate or other document(s) of title; |
| "CGT" | capital gains tax as levied in terms of Schedule 8 of the Income Tax Act, 1962 (Act 58 of 1962), as amended; |
| "Code" | the Securities Regulation Code on Take-overs and Mergers established by the SRP in terms of section 440C of the Companies Act; |

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| “common monetary area” | South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland; |
| “Companies Act” | the Companies Act, 1973 (Act 61 of 1973), as amended from time to time, or any law that may replace it wholly or in part from time to time; |
| “competing offer” | as defined in clause 1.2.11 of the OIA and which is at least 10% higher than R34,00 a share; |
| “Competition Act” | the Competition Act, 1998 (Act 89 of 1998), as amended; |
| “competition authorities” | the Competition Commission, Competition Tribunal and/or Competition Appeal Court established in terms of the Competition Act; |
| “compulsory acquisition” | the application of the provisions of section 440K of the Companies Act (the provisions of which are set out in Annexure VI to this document) to compulsorily acquire all the offer shares (as defined in Annexure IV) in respect of which the general offer was not accepted; |
| “conditions precedent” | the conditions precedent to which the scheme is subject, as set out in paragraph 5 of the scheme; |
| “consideration record date” | the latest date and time for shareholders to be recorded in the register in order to receive the scheme consideration, being 17:00 on the business day preceding the operative date, which business date is expected to be Friday, 28 December, 2007; |
| “counsel” | any person (being an attorney or advocate) who is lawfully entitled to appear in the Court on behalf of another person; |
| “Court” | the High Court of South Africa (Witwatersrand Local Division), which is located at the High Court Building, Von Brandis Square, corner Pritchard and Von Brandis Streets, Johannesburg; |
| “CSDP” | a central securities depository participant, accepted as a participant in terms of the Securities Services Act; |
| “dematerialisation” | the process by which shares held by certificated shareholders are converted or held in electronic form as uncertificated shares and recorded in the subregister of shareholders maintained by a CSDP; |
| “dematerialised scheme members” | scheme members who hold dematerialised shares; |
| “dematerialised scheme participants” | scheme participants who hold dematerialised shares; |
| “dematerialised shareholders” | holders of dematerialised shares; |
| “dematerialised shares” | those shares which have been dematerialised in terms of the requirements of Strate and are held in electronic form; |
| “document” | this document containing the scheme of arrangement in terms of section 311 of the Companies Act, included in the circular to be dated Friday, 5 October 2007; |
| “documents of title” | ordinary share certificates, certified deeds, balance receipts and any other document of title to ordinary shares acceptable to the board; |
| “emigrant” | any emigrant from the common monetary area whose address is outside the common monetary area; |
| “Ethos” | Ethos Private Equity Limited (registration number 2004/003984/06); |
| “exchange control regulations” | the Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended; |
| “explanatory statement” | the explanatory statement in terms of section 312(1)(a)(i) of the Companies Act, which forms part of this document; |

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| “firm intention announcement” | the announcement of the firm intention of BidCo to make an offer to acquire the scheme shares pursuant to the scheme or, if applicable, the general offer, released on Reuters on Monday, 3 September 2007 and on SENS on Tuesday, 4 and Friday, 7 September 2007; |
| “form of proxy (green)” | the form of proxy for the scheme meeting attached to this document, for use by certificated shareholders and own-name dematerialised shareholders only; |
| “form of acceptance, surrender and transfer (white)” | the form of acceptance, surrender and transfer attached to this document, for use by certificated shareholders only; |
| “Gambling Act” | National Gambling Act, 2004 (Act 7 of 2004), as amended; |
| “gambling boards” | the relevant gambling boards under the jurisdiction of which certain of the operations of Gold Reef are regulated; |
| “general offer” | the general offer by BidCo to the offerees (as defined in Annexure IV), which general offer may, if BidCo so elects, subject to the conditions precedent to which such general offer is subject, be made only if it is announced on SENS and in the press that the scheme will not proceed and accordingly that the scheme will not become operative for any reason, other than the failure to obtain any necessary regulatory approvals (excluding the failure of the Court to sanction the scheme); |
| “Gold Reef” or “the company” | Gold Reef Resorts Limited (registration number 1989/002108/06), and listed on the JSE; |
| “Gold Reef group” | Gold Reef and its subsidiaries from time to time; |
| “Gold Reef Share Scheme” | the Gold Reef Share Scheme, administered through the Gold Reef Share Trust; |
| “Gold Reef Share Scheme participants” | those persons who hold rights under the terms of the Gold Reef Share Scheme to acquire Gold Reef shares; |
| “Gold Reef Share Trust” | the Gold Reef Share Scheme (Master’s reference number IT 10752/99), a holder of treasury shares; |
| “Goldman Sachs” | investment subsidiaries of and real estate investment funds sponsored and managed by Goldman Sachs International and its affiliates; |
| “Holdco” | Fluxrab Investments No 160 (Proprietary) Limited (registration number 2005/042950/07); the holding company of BidCo, and which will be controlled as set out in Annexure V; |
| “incentive shares” | Gold Reef shares to be issued to Gold Reef Share Scheme participants as set out in paragraph 7 of the additional information section on page 45 of the circular |
| “independent advisor” | Ernst & Young Advisory Services Limited (registration number 2006/018269/06); |
| “JSE” | JSE Limited (registration number 2005/022939/06), licenced as an exchange under the Securities Services Act; |
| “key management” | certain members of management of Gold Reef, including but not limited to Messrs S B Joffe, J S Friedman, B J Biyela and C Neuberger, who will invest in Holdco; |
| “last practicable date” | the last practicable date prior to the finalisation of this document, being Tuesday, 2 October 2007; |
| “non-voting shareholders” | collectively, those members of the BEE consortium and key management who will utilise the proceeds of the scheme consideration from the non-voting shares due to them to subscribe, directly or indirectly, for new shares in Holdco, to the extent of the votes attaching to the non-voting shares; |

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| “non-voting shares” | 42 974 023 Gold Reef shares held by the non-voting shareholders in respect of which the scheme consideration will be utilised to subscribe for new shares in Holdco; |
| “offer” | the offer by BidCo to acquire all the offer shares, other than the 14 427 602 treasury shares held by Aldiss, of Gold Reef, as described in the firm intention announcement; |
| “offer implementation agreement” or “OIA” | the Offer Implementation Agreement between Gold Reef and BidCo concluded on Monday, 3 September 2007; |
| “operative date” | the date on which the scheme will become operative, which operative date will be notified to shareholders by way of an announcement to be released on SENS and published in the press and which is expected to be Monday, 31 December 2007; |
| “own-name dematerialised shareholders” | shareholders who have instructed the CSDP to hold their dematerialised shares in their own name on the subregister (the list of dematerialised shareholders maintained by the CSDP and forming part of Gold Reef’s register of shareholders); |
| “rand” or “R” | South African rand, the official currency of South Africa; |
| “register” | the register of certificated shareholders maintained by the transfer secretaries on behalf of Gold Reef and the sub-register of dematerialised shareholders maintained by the relevant CSDPs in terms of sections 105 and 91A respectively, of the Companies Act; |
| “Registrar” | the Registrar of Companies in South Africa; |
| “reorganisation” | the transfer of Gold Reef group’s gambling licences and operations to Fluxrab 158 (Proprietary) Limited (registration number 2005/044076/07) or other subsidiaries or associated companies of Gold Reef or BidCo, as the case may be; |
| “restricted period” | the period commencing 1 January 2007 and ending on the last practicable date; |
| “Reuters” | Reuters Group PLC (registration number 329375), a global information company providing information for professionals in the financial services, media and corporate markets; |
| “scheme” or “scheme of arrangement” | the scheme of arrangement in terms of section 311 of the Companies Act proposed by BidCo between Gold Reef and the Gold Reef shareholders, other than Aldiss, in terms of which BidCo will acquire the scheme shares and in exchange the scheme participants will receive the scheme consideration; |
| “scheme consideration” | the consideration to be received by each scheme participant for each scheme share held by him/her in terms of the scheme, being R34,00 per Gold Reef share, which will increase by one South African cent per share per business day from Tuesday, 1 January 2008 until the date upon which the scheme becomes operative, if applicable; |
| “scheme meeting” | the meeting of scheme members to be convened by the Court in terms of section 311 of the Companies Act to be held at 09:00 in the boardroom at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa on Monday, 29 October 2007 or any adjournment thereof, to consider and, if thought fit, agree to the scheme; |
| “scheme members” | shareholders, other than Aldiss and the non-voting shareholders, recorded in the register as such on the voting record date, and who are therefore entitled to attend and vote at the scheme meeting; |
| “scheme participants” | shareholders, other than Aldiss, recorded in the register as such on the consideration record date, and who are therefore entitled to receive the scheme consideration; |

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| “scheme shares” | all Gold Reef shares, other than the 14 427 602 treasury shares held by Aldiss, held by scheme participants on the consideration record date; |
| “Securities Services Act” | the Securities Services Act, 2004 (Act 36 of 2004), as amended; |
| “SENS” | the Securities Exchange News Service of the JSE; |
| “shareholders” or “Gold Reef shareholders” | the registered holders of Gold Reef shares; |
| “shares” or “Gold Reef shares” | the shares with a par value of 2 cents each in the issued share capital of Gold Reef; |
| “South Africa” or “RSA” | the Republic of South Africa; |
| “SRP” | the South African Securities Regulation Panel, established in terms of section 440B of the Companies Act; |
| “staff award shares” | Gold Reef shares to be issued to Messrs S B Joffe, J S Friedman and C Neuberger and as set out in paragraph 7 of the additional information section on page 45 of the circular; |
| “stamp duty” | the duty leviable in terms of Item 15(3) of Schedule 1 to the Stamp Duties Act, 1968 (Act 77 of 1968), as amended; |
| “Strate” | the settlement and clearing system utilised by the JSE for all transactions concluded on the JSE, managed by Strate Limited (registration number 1998/022242/06), which is a licensed central securities depository in terms of the Securities Services Act; |
| “subsidiary” | a subsidiary company as defined in terms of the Companies Act; |
| “transfer secretaries” | Link Market Services South Africa (Proprietary) Limited (registration number 2000/007239/07); |
| “treasury shares” | 14 427 602 Gold Reef shares held by Aldiss and 2 213 518 Gold Reef shares held by the Gold Reef Share Trust; |
| “voting record date” | the latest time and date for shareholders to be recorded in the register in order to be entitled to vote at the scheme meeting, being 17:00 on the business day which is 2 (two) business days before the scheme meeting, which business day is expected to be Thursday, 25 October 2007. |

2. SHARE CAPITAL OF GOLD REEF

- 2.1 The authorised share capital of Gold Reef is R11 800 000, divided into 590 000 000 ordinary shares of 2 cents each.
- 2.2 The issued share capital of Gold Reef on the last practicable date was R5 796 181,42, divided into 289 809 071 ordinary shares of 2 cents each.
- 2.3 14 427 602 Gold Reef shares are held by Aldiss and 2 213 518 Gold Reef shares are held by Gold Reef Share Trust as treasury shares.
- 2.4 In accordance with paragraph 7 of the additional information section on page 45, Gold Reef may, after the last practicable date but before the last day to trade to be recorded in the register on the voting record date, be required to issue a maximum of a further 1 831 149 shares for Gold Reef Share Scheme participants who have exercised their rights under the Gold Reef Share Scheme.
- 2.5 In accordance with paragraph 7 of the additional information section on page 45, Gold Reef may, after the last practicable date but before the last day to trade to be recorded in the register on the voting record date, be required to issue a maximum of a further 350 000 shares for the staff award shares issued to Messrs S B Joffe, J S Friedman and C Neuberger.

3. THE OBJECT OF THE SCHEME

The object of the scheme is to procure that the scheme shares are acquired by BidCo from the scheme participants in return for the scheme consideration. As a result of the scheme, all the scheme shares will be held by BidCo and the listing of the shares on the JSE will be terminated.

4. THE SCHEME

- 4.1 If the scheme is approved in terms of the Companies Act at the scheme meeting, then Gold Reef will apply to the Court for an Order sanctioning the scheme. If such Order is granted, and such order is registered by the Registrar in terms of the Companies Act, and subject to fulfilment of all the conditions precedent, scheme participants shall, in terms of the scheme and with effect from the operative date, be deemed to have:
- 4.1.1 disposed of their scheme shares to BidCo, which shall be deemed to have acquired such scheme shares, in exchange for the delivery by BidCo of the scheme consideration to Gold Reef as contemplated in paragraph 7 of this document;
 - 4.1.2 authorised Gold Reef to cause the scheme shares to be transferred and registered in the name of BidCo on or at any time after the operative date; and
 - 4.1.3 authorised Gold Reef to collect the scheme consideration from BidCo, and procure that such scheme consideration is paid to the scheme participants in accordance with the terms of the scheme.
- 4.2 Should the scheme become operative, scheme participants will be entitled to receive, from Gold Reef only, in terms of paragraphs 6 and 7 of this document, the scheme consideration.
- 4.3 Certificated scheme participants will be obliged to surrender their document(s) of title to the transfer secretaries, under cover of the form of acceptance, surrender and transfer (white) in order to receive the scheme consideration. No action regarding the surrender of document(s) of title is required from dematerialised scheme participants.
- 4.4 Against the surrender by certificated scheme participants of their document(s) of title in respect of their scheme shares, or upon confirmation being received that the scheme shares have been delivered electronically to BidCo, the scheme consideration will be posted or transferred to the scheme participants concerned in terms of paragraphs 6 and 7 of this document.
- 4.5 Gold Reef will administer and effect payment of the scheme consideration to the scheme participants. Gold Reef, as principal, will, subject to the provisions of paragraph 7 of this document, be obliged to surrender to BidCo all the scheme shares in certificated or dematerialised form, provided that BidCo has complied with its obligations in terms of paragraph 4.6 of this document and Gold Reef will also be obliged, at the request of BidCo, to transfer and register, or procure the transfer and registration of, the scheme shares in the name of BidCo or its nominee.
- 4.6 BidCo will timeously provide Gold Reef with the requisite funds so as to enable Gold Reef to settle the scheme consideration which is payable to the scheme participants in accordance with the scheme. BidCo will deliver the aforesaid scheme consideration to Gold Reef, as principal, or to Gold Reef's agent, on or before the operative date, it being recorded that the settlement of such scheme consideration due to scheme participants will be effected exclusively by Gold Reef or the transfer secretaries as agent of Gold Reef.
- 4.7 Scheme participants are referred to paragraphs 6 and 7 of this document, which set out in detail the basis on, and the manner in which, the scheme consideration will be paid.
- 4.8 Document(s) of title held by certificated scheme participants in respect of the scheme shares will cease to be of any value and shall not be good for delivery from the operative date, other than for surrender in terms of paragraph 9 of this document.
- 4.9 With effect from the operative date, the transfer secretaries will irrevocably be deemed to be the attorney and agent *in rem suam* of all scheme participants to implement the transfer of all their scheme shares and to sign any instrument of transfer in respect thereof or any other documents required to implement the scheme.
- 4.10 Each dematerialised scheme participant irrevocably and *in rem suam* authorises Gold Reef, with power of substitution, to instruct the dematerialised scheme participant's CSDP to cause the dematerialised scheme shares disposed of by the dematerialised scheme participant in terms of

the scheme to be transferred in terms of section 91A(4)(a) of the Companies Act to BidCo or its nominee in accordance with the requirements of the scheme, to do all such things and take all such steps as Gold Reef in its discretion considers necessary in order to effect that transfer and to collect, or procure that the transfer secretaries, as agent for and on behalf of Gold Reef, collect, the total scheme consideration from BidCo for distribution to the relevant CSDPs.

- 4.11 Delivery by BidCo to Gold Reef, as principal, or Gold Reef's agent, of the scheme consideration shall be the sole and exclusive manner of discharge by BidCo of its obligations in respect of the scheme consideration.
- 4.12 The rights of the scheme participants to receive the scheme consideration will be rights enforceable by scheme participants against Gold Reef only. Scheme participants will, in turn, be entitled to require Gold Reef to enforce its rights in terms of the scheme against BidCo.
- 4.13 Gold Reef undertakes in favour of scheme participants to enforce all its rights in terms of the scheme against BidCo.

5. CONDITIONS PRECEDENT

- 5.1 The scheme is subject to the fulfilment, or where permissible, waiver, of the following conditions precedent by Thursday, 31 January 2008; provided that Gold Reef and BidCo shall be entitled to extend this date by agreement at any time before Thursday, 31 January 2008:
 - 5.1.1 the scheme being approved at the scheme meeting by a majority representing not less than three-fourths of the votes exercisable by the scheme members present and voting, either in person or by proxy, at the scheme meeting or any adjournment thereof;
 - 5.1.2 the Court sanctioning the scheme;
 - 5.1.3 in the case of the sanctioning of the scheme by the Court, a certified copy of the Order of Court sanctioning the scheme being registered by the Registrar in terms of the Companies Act;
 - 5.1.4 the competition authorities approving the offer in terms of the Competition Act, either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo;
 - 5.1.5 the gambling boards approving the offer and the reorganisation in terms of the Gambling Act, either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo; and
 - 5.1.6 the Exchange Control Division of the South African Reserve Bank approving the offer in terms of the exchange control regulations either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo; and
 - 5.1.7 all other approvals to the extent necessary in respect of the offer being implemented, including but not limited to approvals from the SRP.
- 5.2 If Gold Reef and BidCo extend the date for fulfilment of the conditions precedent as contemplated above, Gold Reef will advise Gold Reef shareholders of this fact by way of an announcement released on SENS and published in the press.
- 5.3 Gold Reef has undertaken to release on SENS, and publish in the press, as soon as practicable, details of the fulfilment or non-fulfilment of the conditions precedent.

6. THE SCHEME CONSIDERATION

- 6.1 If the scheme becomes operative, scheme participants will be entitled to receive the scheme consideration in respect of each scheme share held by them on the consideration record date.
- 6.2 The scheme consideration will not be increased by BidCo, although it reserves the right to do so in the event of a competing offer.
- 6.3 Gold Reef will not be paying a further ordinary dividend prior to the operative date.

7. SETTLEMENT OF SCHEME CONSIDERATION

7.1 Certificated scheme participants

- 7.1.1 The scheme consideration due to certificated scheme participants will be posted, by ordinary post, to the relevant certificated scheme participant, at such certificated scheme participant's risk, at his/her address specified in the form of acceptance, surrender and transfer (white), or if there is no address on the form of acceptance, surrender and transfer (white), to the address specified in the register. This will take place within 5 (five) business days of the operative date, if the form of acceptance, surrender and transfer (white), together with the relevant document(s) of title have been properly surrendered to the transfer secretaries by the consideration record date of the scheme, or if the form of acceptance, surrender and transfer (white), together with the relevant document(s) of title are surrendered to the transfer secretaries after the consideration record date, the cheques in settlement of the scheme consideration will be posted to the relevant certificated scheme participant within 5 (five) business days of receipt by the transfer secretaries of the form of acceptance, surrender and transfer (white) together with the relevant document(s) of title.
- 7.1.2 Where, on or subsequent to the operative date, a person, who is not a registered holder of scheme shares on the consideration record date, tenders to the transfer secretaries document(s) of title together with a duly stamped form of acceptance, surrender and transfer (white), purporting to have been executed by or on behalf of the registered holder of such scheme shares and, provided that the scheme consideration shall not already have been posted or delivered to the registered holder of the relevant scheme shares, such transfer may be accepted by Gold Reef as if it were a valid transfer to such person of the scheme shares concerned, provided that Gold Reef has, if so required by Gold Reef, been provided with an indemnity on terms acceptable to it in respect of such scheme consideration.
- 7.1.3 If the scheme consideration is not sent to certificated scheme participants entitled thereto because the relevant document(s) of title have not been properly surrendered or, if having been sent are returned undelivered to the transfer secretaries, such scheme consideration will be held in escrow by Gold Reef (or by a third party nominated by it for that purpose) for a maximum period of 3 (three) years from the operative date on behalf of and for the benefit of the relevant scheme participant until claimed against delivery of the relevant documents of title. If not claimed within a period of 3 (three) years, such scheme consideration will be deemed to be forfeited to and for the benefit of BidCo, free of any encumbrance, lien or other claim. No interest will accrue or be paid on any amount payable to certificated scheme participants arising from the scheme consideration being so held in escrow. This paragraph does not apply to dematerialised shares held by scheme participants.
- 7.1.4 Certificated scheme participants may receive the scheme consideration, should they so elect, by providing details of their bank account on the attached form of surrender, and provided that their documents of title have been surrendered prior to the scheme consideration record date, by electronic transfer directly into the scheme participant's relevant bank account.

7.2 Dematerialised scheme participants

Dematerialised scheme participants will have their accounts with their CSDP or broker credited with the scheme consideration. Dematerialised scheme participants need not take any action as this will be done by their CSDP or broker.

8. NO SET-OFF OF SCHEME CONSIDERATION

Except for the scheme consideration for the non-voting shares held by the non-voting shareholders which will be utilised to subscribe for new shares in Holdco, the scheme consideration to which a scheme participant is entitled when the scheme becomes operative will be discharged in full in accordance with the terms of the scheme without regard to any lien, right of set-off, counter-claim or other analogous rights to which BidCo may otherwise be, or claim to be, entitled against such scheme participant.

9. SURRENDER OF DOCUMENT(S) OF TITLE

If you wish to dematerialise your shares, please contact a CSDP or your broker. It should be noted that, subject to paragraph 9.1.5, you will only be able to dematerialise your shares prior to 12:00 on Wednesday, 19 December 2007.

9.1 Certificated scheme participants

- 9.1.1 Certificated scheme participants do not need to submit their document(s) of title for dematerialisation in order to be eligible to participate in the scheme.
- 9.1.2 Certificated scheme participants shall only be entitled to receive the scheme consideration once they have surrendered their document(s) of title.
- 9.1.3 A certificated scheme participant who wishes to anticipate the scheme becoming operative and thereby expedite receipt of the scheme consideration should complete the attached form of acceptance, surrender and transfer (white) and return it together with the relevant document(s) of title in accordance with the instructions contained therein to the transfer secretaries on or before 12:00 on Friday, 28 December 2007 or such later date as may be released on SENS or published in the press.
- 9.1.4 Alternatively, certificated scheme participants may wait until the scheme becomes operative, which is expected to be on Monday, 31 December 2007, and surrender their document(s) of title under cover of the completed form of acceptance, surrender and transfer (white) at that time.
- 9.1.5 The attention of certificated scheme participants is drawn to the fact that if they surrender their document(s) of title in advance of the implementation of the scheme, they will not be able to dematerialise or trade in those shares between the date of surrender and the operative date. However, the right to attend and vote at the scheme meeting will be unaffected.
- 9.1.6 No receipt will be issued for document(s) of title surrendered unless specifically requested. Persons requiring receipts must prepare receipts and forward them together with their document(s) of title surrendered.
- 9.1.7 Document(s) of title surrendered by certificated shareholders prior to the operative date in anticipation of the scheme becoming operative will be held in escrow on behalf of such certificated shareholders by the transfer secretaries. If the scheme does not become operative for any reason whatsoever, the transfer secretaries will (except where the certificated scheme participant concerned has elected to accept the general offer, if made) within 5 (five) business days after the date upon which it becomes known that the scheme will not become operative, return the document(s) of title to the certificated shareholder concerned, by registered post, at the risk of such certificated shareholder, to the return address specified on the form of acceptance, surrender and transfer (white) or if no return address is specified on the form of acceptance, surrender and transfer (white), to the address recorded in the register.
- 9.1.8 If document(s) of title relating to any scheme share to be surrendered are lost or destroyed and the relevant certificated shareholder produces evidence to this effect to Gold Reef's satisfaction, Gold Reef may, in its sole and absolute discretion, dispense with the surrender of document(s) of title requirements against provision of an acceptable indemnity, satisfactory to Gold Reef, the cost of which indemnity will be borne by the certificated scheme participant concerned, or may in its discretion waive such indemnity.
- 9.1.9 Document(s) of title held by certificated scheme participants in respect of the scheme shares will cease to be of any value and shall not be good for delivery from the operative date, other than for surrender.

9.2 Dematerialised scheme participants

The provisions of paragraph 9.1 above do not apply to dematerialised scheme participants. Dematerialised scheme participants need not take any action regarding the surrender of their document(s) of title (if any) once the scheme becomes operative as the process will be handled by the relevant CSDP or broker in terms of the custody agreement entered into between each dematerialised scheme participant and his/her CSDP or broker.

10. EXCHANGE CONTROL REGULATIONS

The following is a summary of the exchange control regulations insofar as they have application to scheme participants. If in doubt, scheme participants should consult their professional advisors as soon as possible.

10.1 Residents from the common monetary area

In the case of:

- 10.1.1 certificated scheme participants whose registered addresses in the register are within the common monetary area and whose document(s) of title are not restrictively endorsed in terms of the exchange control regulations, the scheme consideration will be posted to such scheme participants, in accordance with paragraph 7 of this document; or
- 10.1.2 dematerialised scheme participants whose registered addresses in the register are within the common monetary area and have not been restrictively designated in terms of the exchange control regulations, the scheme consideration will be credited directly to the accounts nominated for the relevant scheme participants by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

10.2 Emigrants from the common monetary area

The scheme consideration accruing to the scheme participants who are emigrants will in the case of:

- 10.2.1 certificated scheme participants, be forwarded to the authorised dealers in foreign exchange in South Africa controlling such scheme participants' blocked assets. The attached form of acceptance, surrender and transfer (white) makes provision for the details of the authorised dealer concerned to be given; or
- 10.2.2 dematerialised scheme participants, be credited directly to the dematerialised scheme participants' blocked rand bank accounts by their duly appointed CSDP or broker and held to the order of the authorised dealer in foreign exchange in South Africa controlling such scheme participants' blocked accounts.

10.3 All other non-residents of the common monetary area

The scheme consideration accruing to scheme participants whose registered addresses are outside the common monetary area will in the case of:

- 10.3.1 certificated scheme participants, be forwarded to the authorised dealer(s) in foreign exchange in South Africa nominated by such certificated scheme participant. It will be incumbent on the scheme participant concerned to instruct the nominated authorised dealer(s) as to their disposal of the amount concerned. The attached form of acceptance, surrender and transfer (white) makes provision for the nomination required; or
- 10.3.2 dematerialised scheme participants, be credited by their duly appointed CSDP or broker directly to the bank accounts nominated by the dematerialised scheme participants in terms of the provisions of the custody agreement with their CSDP or broker.

10.4 Information not provided

If the information regarding authorised dealers is not given or no instructions are provided, the scheme consideration will be held in escrow by the transfer secretaries for the scheme participant concerned, pending receipt of the necessary information or instructions. No interest will be paid on any cash amounts so held.

11. TAX IMPLICATIONS FOR SCHEME PARTICIPANTS

- 11.1 Scheme participants should seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position and in particular to confirm how the general comments apply in their specific circumstances. Gold Reef and BidCo accept no liability for scheme participants placing reliance on the information given in this paragraph.

11.2 The information below sets out a general summary of the tax implications of the scheme for scheme participants resident or deemed to be resident in South Africa in respect of their scheme shares. The tax analysis is therefore not comprehensive or determinative.

11.3 If a scheme participant holds his scheme shares as an investment on capital account:

11.3.1 the sale and transfer of those scheme shares to BidCo will be a disposal by the scheme participant for CGT purposes;

11.3.2 consequently, a scheme participant will realise a capital gain or a capital loss, being the difference between the base cost of those scheme shares and the proceeds received by or accrued in respect of those scheme shares;

11.3.3 the scheme participant's proceeds will be equal to the scheme consideration received. The base cost should be determined in accordance with the rules contained in the Eighth Schedule to the Income Tax Act 58 of 1962, as amended ("**the CGT legislation**"). Different rules apply to scheme shares acquired before and after 1 October 2001. The applicable rules will depend on the circumstances of the respective scheme participants;

11.3.4 in terms of the CGT legislation, an individual's total gains (or losses) are reduced by R12 500 per year. Broadly, this means that a scheme participant will not pay CGT on the first R12 500 of capital gain per year (including the gain from the scheme). Other gains or losses, arising from other transactions concluded in this tax year, if any, as well as any CGT loss carried forward from a previous tax year should be taken into account; and

11.3.5 a person's taxable capital gain for the year of assessment, which should be included in taxable income, will in the case of:

11.3.5.1 a natural person or special trust (as defined in section 1 of the Income Tax Act) be 25%;

11.3.5.2 an insurer, in respect of its:

11.3.5.2.1 individual policyholder fund be 25%; and

11.3.5.2.2 untaxed policy holder fund be 0%; or

11.3.5.2.3 in any other case (eg a company, close corporation, trust, insurer's company, policyholder fund and corporate funds) be 50%

of that person's net capital gain for that year of assessment.

11.4 If the scheme participant holds his/her scheme shares as a share dealer or as part of a profit-making scheme, the scheme consideration will be subject to income tax in the hands of the scheme participant.

11.5 A scheme participant who is not a South African resident for tax purposes will, under certain circumstances, not be liable for the taxes set out above. Scheme participants who think that they may qualify as non-residents should consult with appropriate professional advisors to ascertain whether they are non-residents for tax purposes and whether and on what basis they will be liable for tax.

12. SUSPENSION AND TERMINATION OF LISTING OF GOLD REEF SHARES ON THE JSE

Subject to the scheme becoming operative, the JSE has granted approval for the suspension of the listing of the shares with effect from the commencement of trading on the JSE on Thursday, 20 December 2007 and the termination of the listing of the shares from the commencement of trading on the JSE on Wednesday, 2 January 2008.

13. INSTRUCTIONS

13.1 Gold Reef and BidCo shall be entitled to accept and act on all documents relating to the status and capacity of any scheme participant and shall be empowered to act on behalf of any scheme participant as if such documents had been registered with Gold Reef.

- 13.2 Each mandate, instruction or authority with regard to the scheme shares recorded with Gold Reef at the consideration record date will be deemed, unless and until revoked, to be a mandate, instruction or authority to Gold Reef or BidCo in respect of any rights accruing in respect of the scheme consideration.

14. GENERAL

14.1 Undertakings

- 14.1.1 Gold Reef and BidCo reciprocally undertake to each other that, immediately after the scheme becomes operative, each of them will sign and/or procure the signing of all documents and carry out or procure the carrying out of all acts which are necessary to give effect to the scheme; and
- 14.1.2 Gold Reef will be entitled, and will have the authority, on behalf of itself and each scheme participant, to authorise any person nominated by Gold Reef to sign all documents required to carry the scheme into effect, including but not limited to proxies, changes of address and cessions of rights to dividends and other entitlements from Gold Reef.

14.2 Amendment

- 14.2.1 Subject to obtaining the prior written consent of BidCo and subject, to the extent required, to the approval of the SRP, the board may consent:
- 14.2.1.1 before or at the scheme meeting, at any time prior to the voting in respect of the scheme, to any amendment, variation or modification of the scheme; or
- 14.2.1.2 after the scheme meeting, to any amendment, variation or modification which the Court may deem fit to approve or impose;
- provided that no amendment, variation or modification made may have the effect of diminishing the rights which will accrue to a scheme participant in terms of the scheme.

14.3 Certificate

A certificate signed by a director of each of Gold Reef and BidCo stating that all the conditions precedent have been fulfilled timeously and/or waived and that the scheme has become operative shall be binding on Gold Reef, BidCo, the scheme members and the scheme participants.

14.4 Binding

When the Order of Court sanctioning the scheme is registered, the scheme will become binding on all scheme participants (including successors in title), including those who voted against the scheme.

14.5 Costs

Each of Gold Reef and BidCo will pay their respective costs incurred in preparing, signing and carrying the scheme into effect and all matters incidental to it, including the payment of stamp duty, and uncertificated securities tax on the transfer of the scheme shares.

14.6 Dates and times

All times referred to in the scheme are South African times and all times and dates referred to in the scheme are subject to change by agreement between Gold Reef and BidCo. Any such change will be released on SENS and published in the press.

For and on behalf of the board

GOLD REEF RESORTS LIMITED

J S Friedman
Director

Johannesburg
5 October 2007

For and on behalf of the board

**FLUXRAB INVESTMENTS NO 159
(PROPRIETARY) LIMITED**

C N Zephyrine
Director

Johannesburg
5 October 2007



GOLD REEF RESORTS LIMITED

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

Fluxrab Investments No 159 (Proprietary) Limited

(Incorporated in the Republic of South Africa)
 (Registration number 2005/043727/07)
 ("BidCo")

VALUATION STATEMENT IN TERMS OF SECTION 312(1)(a)(ii) OF THE COMPANIES ACT

The definitions and interpretation set out on pages 12 to 16 of this document, apply throughout this valuation statement.

1. INTRODUCTION

The background and rationale for the scheme are set out in paragraphs 1 and 2 of the explanatory statement on page 20 of this document.

2. FINANCIAL EFFECTS ON SCHEME PARTICIPANTS

The table below sets out:

- 2.1 the price at which Gold Reef shares traded immediately prior to:
 - 2.1.1 the release of Gold Reef's further cautionary announcement on Friday, 9 March 2007; and
 - 2.1.2 the publication of the firm intention announcement.
- 2.2 a comparison of the scheme consideration to the net asset value and tangible net asset value attributable to Gold Reef shareholders per Gold Reef share at 30 June 2007.

| | Before the scheme (rand) | The scheme consideration (rand) | Premium (%) |
|--|--------------------------------|---------------------------------------|----------------|
| Closing price on 8 March 2007 | 22,90 ⁽¹⁾ | 34,00 | 48,5 |
| 30-day VWAP to 8 March 2007 | 23,53 ⁽²⁾ | 34,00 | 44,5 |
| Market price on 31 August 2007 | 31,40 ⁽³⁾ | 34,00 | 8,3 |
| 30-day VWAP to 31 August 2007 | 30,02 ⁽⁴⁾ | 34,00 | 13,3 |
| Net asset value per Gold Reef share | 5,92 ⁽⁵⁾ | 34,00 | 474,3 |
| Tangible net asset value per Gold Reef share | 3,61 ⁽⁵⁾ | 34,00 | 841,8 |

Notes:

1. Closing price of Gold Reef shares on the JSE on Thursday, 8 March 2007, being the last trading day prior to publication of the further cautionary announcement on Friday, 9 March 2007.
2. 30-day VWAP up to and including Thursday, 8 March 2007, being the last trading day prior to publication of the further cautionary announcement on Friday, 9 March 2007.
3. Closing price of Gold Reef shares on the JSE on Friday, 31 August 2007, being the last trading day prior to publication of the firm intention announcement.
4. 30-day VWAP up to and including Friday, 31 August 2007, being the last trading day prior to publication of the firm intention announcement.
5. Unaudited net asset value and tangible net asset value per Gold Reef share attributable to Gold Reef shareholders at 30 June 2007.

3. SHARE CAPITAL OF GOLD REEF

- 3.1 The authorised share capital of Gold Reef is R11 800 000, divided into 590 000 000 ordinary shares of 2 cents each.
- 3.2 The issued share capital of Gold Reef on the last practicable date was R5 796 181,42, divided into 289 809 071 ordinary shares of 2 cents each.
- 3.3 14 427 602 Gold Reef shares are held by Aldiss and 2 213 518 Gold Reef shares are held by Gold Reef Share Trust as treasury shares.
- 3.4 In accordance with paragraph 7 of the additional information section on page 45, Gold Reef may, after the last practicable date but before the last day to trade to be recorded in the register on the voting record date, be required to issue a maximum of a further 1 831 149 shares for Gold Reef Share Scheme participants who have exercised their rights under the Gold Reef Share Scheme.
- 3.5 In accordance with paragraph 7 of the additional information section on page 45, Gold Reef may, after the last practicable date but before the last day to trade to be recorded in the register on the voting record date, be required to issue a maximum of a further 350 000 shares for the staff award shares issued to Messrs S B Joffe, J S Friedman and C Neuberger.

4. FINANCIAL INFORMATION RELATING TO GOLD REEF

- 4.1 Extracts from the historical audited financial information relating to Gold Reef for the four financial years ended December 2003, December 2004, December 2005 and December 2006 are set out in Annexure II to this document, together with the unaudited interim results announcement detailing the financial information for the six-month period ended 30 June 2007.
- 4.2 A trading history of the Gold Reef shares on the JSE is set out in Annexure III to this document.

5. OPINIONS AND RECOMMENDATIONS

- 5.1 The board ran a comprehensive formal process of procuring an offer for Gold Reef that it believes allows shareholders to realise significant value for their investment. Furthermore it has obtained independent advice on the offer. Messrs S B Joffe, J S Friedman, C Neuberger, B J Biyela, R T Moloko, P C September and R J Khoza recused themselves from all deliberations and decisions by the board regarding the offer.
- 5.2 The board appointed the independent advisor to advise it whether the offer is fair and reasonable to Gold Reef shareholders. The independent advisor has considered the terms and conditions of the scheme and is of the opinion that the scheme consideration is fair and reasonable to Gold Reef shareholders. The full text of the letter from the independent advisor is set out in Annexure I to this document.
- 5.3 The board, excluding those named in paragraph 5.1 above, has evaluated the terms and conditions of the scheme and the opinion of the independent advisor, and is of the unanimous opinion that the scheme is fair and reasonable to Gold Reef shareholders. Accordingly the board recommends that scheme members vote in favour of the scheme.
- 5.4 The directors of Gold Reef who hold scheme shares, and who are eligible to vote at the scheme meeting, have indicated their intention to vote all of their scheme shares, other than the non-voting shares, in favour of the scheme.

6. MATERIAL CHANGES

The share exchange and the top-up transaction both constitute material changes in the financial position of Gold Reef since the latest audited financial statements. There are no other known material changes in the trading position of Gold Reef since the latest audited financial statements. Details of, and the effects of, the share exchange and the top-up transaction were fully detailed in the circular to the Gold Reef shareholders dated 2 May 2007, copies of which are available on Gold Reef's website (www.goldreefresorts.com) and/or may be obtained on request from Gold Reef or Gold Reef's transfer secretaries at their respective addresses, set out in the corporate information page at the front of this document.

For and on behalf of the board

GOLD REEF RESORTS LIMITED

J S Friedman
Director

Johannesburg
5 October 2007

For and on behalf of the board

**FLUXRAB INVESTMENTS NO 159
(PROPRIETARY) LIMITED**

C N Zephyrine
Director

Johannesburg
5 October 2007



GOLD REEF RESORTS LIMITED

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

Fluxrab Investments No 159 (Proprietary) Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/043727/07)
("BidCo")

STATEMENT OF DIRECTORS' INTERESTS IN TERMS OF SECTION 312(1)(a)(iii) OF THE COMPANIES ACT

The definitions and interpretation set out on pages 12 to 16 of this document apply throughout this statement of directors' interests.

Directors of Gold Reef

Executive

S B Joffe (*Chief Executive Officer*)
B J Biyela (*Strategy and business development director*)
J S Friedman (*Financial director*)
C Neuberger (*Chief operating officer*)

Non-executive

M Krok (*Chairman*)
A J Aaron
R J Khoza
M Z Krok
J Leutgeb (*Austrian*)
R T Moloko
B J Schutte
P C September

Alternate

A Krok
S Krok
R Vierziger (*Austrian*)

Company secretary

C R T Paul

Director of BidCo

Executive

C N Zephyrine (*British*)

1. DIRECTORS' INTERESTS

1.1 Directors' interests in Gold Reef shares

On the last practicable date, the directors of Gold Reef held the interests shown below in Gold Reef shares:

| Name | Beneficial | | Non-beneficial | | Total | Percentage of issued capital ⁽¹⁾ |
|---------------|--------------------------|---------------------------|----------------|---------------------------|------------|---|
| | Direct | Indirect | Direct | Indirect | | |
| S B Joffe | 5 033 333 ⁽⁴⁾ | 982 600 ⁽⁶⁾ | – | 102 048 | 6 117 981 | 2,1 |
| J S Friedman | 1 447 093 ⁽³⁾ | 462 400 ⁽⁶⁾ | – | – | 1 909 493 | 0,7 |
| B J Biyela | 133 333 | 11 223 278 | – | – | 11 356 671 | 3,9 |
| C Neuberger | 850 000 ⁽⁵⁾ | – | – | – | 850 000 | 0,3 |
| M Krok | 2 063 | 15 585 569 ⁽²⁾ | – | 46 779 464 | 62 367 096 | 21,5 |
| | – | 322 205 | – | – | 322 205 | 0,1 |
| A J Aaron | 10 000 | – | – | 62 365 033 | 62 375 033 | 21,5 |
| R J Khoza | – | 2 999 247 | – | – | 2 999 247 | 1,0 |
| M Z Krok | – | – | – | – | – | – |
| J Leutgeb | – | – | – | – | – | – |
| R T Moloko | 33 334 | 21 944 174 | – | 69 206 412 ⁽⁷⁾ | 91 183 920 | 31,5 |
| B J Schutte | – | 12 064 267 | – | – | 12 064 267 | 4,2 |
| P C September | – | 148 467 | – | – | 148 467 | 0,1 |
| A Krok | 81 661 | – | – | 62 365 033 | 62 446 694 | 21,5 |
| S Krok | – | – | – | – | – | – |
| R Vierziger | – | – | – | – | – | – |

Notes:

- (1) Including treasury shares.
- (2) Included in shareholding held non-beneficially by A J Aaron and A Krok.
- (3) Mr J S Friedman has a loan of R3 647 599 to the Gold Reef Share Scheme and 1 000 000 shares are pledged as security for this loan. Of his shares detailed above 83 333 are not yet available for sale.
- (4) Mr S B Joffe has a loan of R7 759 109 to the Gold Reef Shares Scheme and 3 333 334 shares are pledged as security for this loan. Of his shares detailed above 166 666 are not yet available for sale.
- (5) Mr C Neuberger has a loan of R3 127 904 to the Gold Reef Share Scheme and 850 000 shares are pledged as security for this loan. Of his shares detailed above 83 333 are not yet available for sale.
- (6) The exposure to this holding is via a shareholding in Little Swift Investments 465 (Proprietary) Limited.
- (7) Represents the Black Economic Empowerment voting pool shares and held by the BEE shareholders.

1.2 Gold Reef directors' dealings in Gold Reef shares

The table below sets out the dealings by the directors of Gold Reef in Gold Reef during the restricted period other than the irrevocables entered into on Sunday, 12 August 2007:

| Name | Date | Nature of transaction | Number of shares | Price (rand) |
|-----------|-----------------|-----------------------|------------------|--------------|
| R J Khoza | 16 January 2007 | Sale on open market | 16 800 | 21,90 |

1.3 Share options held by Gold Reef directors

On the last practicable date, the directors of Gold Reef held the following individual rights under the Gold Reef Share Scheme:

| Name | Date granted | Strike price per option (rand) | Number of shares under option |
|--------------|----------------|--------------------------------|-------------------------------|
| S B Joffe | 15 August 2005 | 15,35 | 500 000 |
| | 23 August 2006 | 14,39 | 500 000 |
| B J Biyela | 15 August 2005 | 15,35 | 68 000 |
| J S Friedman | 15 August 2005 | 15,35 | 170 000 |
| | 23 August 2006 | 14,39 | 300 000 |
| C Neuberger | 15 August 2005 | 15,35 | 170 000 |
| | 23 August 2006 | 14,39 | 300 000 |

The rights set out above are to be dealt with in accordance with paragraph 7 of the additional information section on page 45 of this document.

1.4 Gold Reef directors' interests in transactions

The table below sets out the directors' interests arising from the share exchange and the top-up transaction:

| Name | Number of shares | Type of interest |
|---------------|-------------------------|---------------------------|
| B J Biyela | 11 223 278 | Beneficial – Indirect |
| R J Khoza | 2 942 580 | Beneficial – Indirect |
| R T Moloko | 21 944 174 | Beneficial – Indirect |
| R T Moloko | 69 206 412 | Non-beneficial – Indirect |
| P C September | 146 467 | Beneficial – Indirect |

No other director of Gold Reef is, or has been, interested directly or indirectly, in any transactions which were effected by Gold Reef during the current or immediately preceding financial year and which remain in any respect outstanding or unperformed.

1.5 Gold Reef directors' interests in BidCo

Other than as referred to in paragraph 5 of this valuation statement, on the last practicable date, no directors of Gold Reef held any direct or indirect beneficial interest in BidCo and have not had any such holdings during the restricted period.

1.6 BidCo directors' interests in Gold Reef and BidCo

The Bidco director has no interest in Gold Reef shares; had no dealings in Gold Reef shares and received no share options during the restricted period. The BidCo director has not been directly or indirectly interested in any transaction which was affected by Gold Reef during the current or immediately preceding financial year and which remains in any respect, outstanding or unperformed.

The Bidco director has no interest in BidCo other than this transaction.

2. DIRECTORS' EMOLUMENTS

Messrs B J Biyela, R T Moloko and P C September were appointed to the board on Monday, 2 July 2007. Their emoluments are disclosed in the table on page 42.

On Sunday, 12 August 2007 after Gold Reef had entered into exclusive discussions with BidCo that may have resulted in the making of an offer to acquire the scheme shares for the scheme consideration and after Gold Reef shareholders owning 76,1% of Gold Reef's fully diluted share capital had irrevocably undertaken to BidCo to accept the offer, the board resolved to pay M Krok R12 000 000 as an expression of Gold Reef's gratitude for the significant role and contribution of Mr Krok to Gold Reef's success.

The Gold Reef directors' remuneration will not be varied as a consequence of the scheme and there were no other amendments made to their remuneration during the restricted period.

| Directors | Directors' fees | Other services | Basic remuneration | Other benefits | Retirement/ medical | Performance incentives | Total |
|------------------------------------|------------------------|-----------------------|---------------------------|-----------------------|----------------------------|-------------------------------|--------------|
| Executive | | | | | | | |
| <i>Paid by the company</i> | | | | | | | |
| J S Friedman | - | - | - | 20 000,00 | - | - | 20 000,00 |
| S B Joffe | - | - | - | 20 000,00 | - | - | 20 000,00 |
| C Neuberger | - | - | - | 20 000,00 | - | - | 20 000,00 |
| B Biyela | - | - | - | - | - | - | - |
| <i>Paid by subsidiaries</i> | | | | | | | |
| J S Friedman | - | - | 866 262,15 | - | 146 237,85 | - | 1 012 500,00 |
| S B Joffe | - | - | 1 458 823,20 | - | 266 176,80 | - | 1 725 000,00 |
| C Neuberger | - | - | 1 125 000,00 | - | - | - | 1 125 000,00 |
| B Biyela | - | - | 293 529,56 | - | 56 470,40 | - | 350 000,00 |
| Non executive | | | | | | | |
| <i>Paid by the company</i> | | | | | | | |
| A J Aaron | 172 000,00 | - | - | - | - | - | 172 000,00 |
| R J Khoza | 60 000,00 | - | - | - | - | - | 60 000,00 |
| M Krok | 195 000,00 | - | - | 20 000,00 | - | - | 215 000,00 |
| M Z Krok | 90 000,00 | - | - | - | - | - | 90 000,00 |
| J Leutgeb | - | - | - | - | - | - | - |
| B J Schutte | 90 000,00 | - | - | - | - | - | 90 000,00 |
| P September | 30 000,00 | - | - | 100 000,00 | - | - | 130 000,00 |
| R Moloko | 30 000,00 | - | - | - | - | - | 30 000,00 |
| <i>Paid by subsidiaries</i> | | | | | | | |
| A J Aaron | - | 389 077,50 | - | - | - | - | 389 077,50 |
| R J Khoza | 30 000,00 | - | - | - | - | - | 30 000,00 |
| M Krok | 5 000,00 | - | - | - | - | - | 5 000,00 |
| M Z Krok | - | - | - | - | - | - | - |
| J Leutgeb | - | - | - | - | - | - | - |
| B J Schutte | - | - | - | - | - | - | - |
| P September | 31 500,00 | - | - | - | - | - | 31 500,00 |
| R Moloko | 5 000,00 | - | - | - | - | - | 5 000,00 |
| Alternate | | | | | | | |
| <i>Paid by the company</i> | | | | | | | |
| A Krok | - | - | - | - | - | - | - |
| S Krok | - | - | - | - | - | - | - |
| R Vierziger | 130 000,00 | - | - | - | - | - | 130 000,00 |
| <i>Paid by subsidiaries</i> | | | | | | | |
| A Krok | - | - | - | - | - | - | - |
| S Krok | - | - | - | - | - | - | - |
| R Vierziger | - | - | - | - | - | - | - |
| | 868 500,00 | 389 077,50 | 3 743 614,91 | 180 000,00 | 468 885,09 | - | 5 650 077,50 |

3. DIRECTORS' SERVICE CONTRACTS

In the ordinary course of business on 22 November 2006, Messrs S B Joffe, J S Friedman and C Neuberger entered into contracts with the company. Salient features of the contracts include the awarding of 50 000 shares in the company at zero cost over three years, dependent on performance criteria. On the same date Mr S B Joffe was awarded a further 200 000 shares in the company at zero cost over a further two years, dependent on performance criteria. The terms of the contracts have been agreed and will be formalised in due course.

4. SPECIAL ARRANGEMENTS

4.1 On implementation of the scheme or the general offer, as the case may be, the BEE shareholders will, directly and indirectly, beneficially own 30% of Holdco.

The SRP requires that the BEE shareholders do not exercise their votes at the scheme meeting in respect of 37 438 905 Gold Reef shares, being the number of shares in regard to which the BEE shareholders will utilise the scheme consideration or offer consideration, as the case may be, in order to acquire new shares in Holdco.

- 4.2 BidCo is fully supportive of the existing management team and has invited management to participate in the equity of Holdco. Certain directors of Gold Reef, namely Messrs S B Joffe, J S Friedman, C Neuberger, B J Biyela and R T Moloko have reached an arrangement with BidCo in terms of which they have undertaken, directly or indirectly, to subscribe for and hold shares in the issued share capital of Holdco. Furthermore, B J Biyela and R T Moloko will be appointed to executive roles within the BidCo management team.

Key management forming part of the consortium own or control, in aggregate, 9 070 900 Gold Reef shares (excluding incentive shares and staff award shares). The SRP requires that key management may not exercise their votes at the scheme meeting in respect of 5 535 118 Gold Reef shares, being the number of shares in regard to which key management will utilise the scheme consideration or offer consideration, as the case may be, in order to acquire new shares in Holdco.

- 4.3 No arrangements or undertakings (including any compensation arrangements), other than those referred to above, which have any connection with or dependence on the scheme, exist between BidCo, or any person acting in concert with BidCo, and any director of Gold Reef, or any person who was a director of Gold Reef within the period commencing 12 months prior to the operative date, or any person who is or was a shareholder within the period commencing 12 months prior to the operative date.

5. SHAREHOLDER SUPPORT

Existing shareholders holding approximately 80,5% of Gold Reef's shares other than the 14 427 602 treasury shares held by Aldiss have irrevocably undertaken to BidCo to accept the offer in respect of their entire shareholdings, subject to no competing offer being received. As noted in paragraph 4 of the statement of directors' interests certain existing shareholders are not eligible to vote a portion of their respective shareholdings at the scheme. BEE shareholders and key management have undertaken to reinvest the scheme consideration or offer consideration, as the case may be, for the non-voting shares. The SRP has allowed that BEE shareholders and key management be entitled to vote to the extent of those shares and associated proceeds that are not reinvested. As a result, shareholders holding approximately 65,0% of Gold Reef's shares other than the 14 427 602 treasury shares held by Aldiss and approximately 76,9% of Gold Reef's scheme shares eligible to vote on the scheme can be regarded as having irrevocably undertaken to accept the offer.

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 | 25,9 |
| BEE shareholders* | 69 206 412 | 24,9 |
| Casinos Austria | 60 226 988 | 21,7 |
| Casinos Austria International Holding GmbH | | |
| Schutte Family Trusts | 12 064 267 | 4,4 |
| S B Joffe (director)* | 6 283 333 | 2,3 |
| J S Friedman (director)* | 1 967 093 | 0,7 |
| C Neuberger (director)* | 1 370 000 | 0,5 |
| B J Biyela (director)* | 201 333 | 0,1 |
| Eglin Investments No 30 (Proprietary) Limited* | 170 000 | 0,1 |
| R T Moloko (director)* | 33 334 | 0,1 |
| A J Aaron (director) | 10 000 | >0,1 |

* Members of the consortium.

For and on behalf of the board

GOLD REEF RESORTS LIMITED

J S Friedman
Director

Johannesburg
5 October 2007

For and on behalf of the board

FLUXRAB INVESTMENTS NO 159 (PROPRIETARY) LIMITED

C N Zephyrine
Director

Johannesburg
5 October 2007



GOLD REEF RESORTS LIMITED

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

Fluxrab Investments No 159 (Proprietary) Limited

(Incorporated in the Republic of South Africa)
(Registration number 2005/043727/07)
("BidCo")

ADDITIONAL INFORMATION REQUIRED BY THE SRP

The definitions and interpretation set out on pages 12 to 16 of this document apply throughout this additional information section.

The following additional information is provided in accordance with the requirements of the SRP.

1. SUSPENSION AND TERMINATION OF LISTING OF THE GOLD REEF SHARES ON THE JSE

Subject to the scheme becoming operative, the JSE has granted approval for the suspension of the listing of the Gold Reef shares with effect from the commencement of trading on the JSE on Thursday, 20 December 2007 and the termination of the listing of the Gold Reef shares on the JSE from the commencement of trading on Wednesday, 2 January 2008.

2. SHAREHOLDING OF GOLD REEF IN BIDCO

As at the last practicable date, the Gold Reef group did not hold any shares in BidCo. Gold Reef did not purchase any shares in BidCo during the restricted period.

3. SHAREHOLDING IN GOLD REEF OF BIDCO, ITS DIRECTORS AND ITS CONCERT PARTIES

At the last practicable date, BidCo, its directors and parties acting in concert with BidCo, other than BEE shareholders and key management, did not own any Gold Reef shares, nor had BidCo, its directors and parties acting in concert with BidCo, other than BEE shareholders and key management, owned any Gold Reef shares during the restricted period.

4. INTENTIONS REGARDING THE BOARD OF GOLD REEF

It is BidCo's intention that all of the executive directors of Gold Reef will remain as such post the implementation of the scheme.

5. INTENTIONS REGARDING THE BUSINESSES OF GOLD REEF

If the scheme becomes operative, BidCo will acquire all the scheme shares. This will result in the listing of Gold Reef's shares on the JSE being terminated. The business of Gold Reef post the implementation of the scheme will continue to be operated by the BidCo Group on substantially the same basis as prior to the implementation of the scheme.

6. GOLD REEF SHAREHOLDERS

At the last practicable date, the Gold Reef shareholders holding a beneficial interest in excess of 5% of the issued share capital of Gold Reef were as follows:

| Shareholder | Number of shares held | Percentage of issued ordinary share capital ⁽¹⁾ |
|--|-----------------------|--|
| Casino Austria International Holding GmbH | 60 226 988 | 20,8 |
| Saddel Path Props 20 (Proprietary) Limited | 21 790 872 | 7,5 |
| Maxim Krok 1994 Trust | 15 492 569 | 5,4 |
| Aldiss Investments (Proprietary) Limited | 14 427 602 | 5,0 |

(1) Including treasury shares.

7. GOLD REEF SHARE SCHEME AND STAFF AWARD SHARES

At the last practicable date, 4 044 667 options to receive Gold Reef shares were outstanding under the Gold Reef Share Scheme. Accordingly, in order to enable Gold Reef Share Scheme participants to participate in the scheme and to derive benefits equivalent to those that they would have derived if they had been holders of the relevant Gold Reef shares, the board has, in accordance with the terms of the Gold Reef Share Scheme, resolved that Gold Reef Share Scheme participants must accelerate the exercise of their rights under the Gold Reef Share Scheme and take delivery of the number of Gold Reef shares due to them. Payment will be delayed until the operative date via loans to the Share Scheme participants. The Gold Reef Share Trust currently holds 2 213 518 Gold Reef shares, therefore 1 831 149 additional shares will be allotted and issued to the Gold Reef Share Trust so it can meet its obligations to the Gold Reef Share Scheme participants.

Messrs S B Joffe, J S Friedman and C Neuberger have agreed contracts with the company. Salient features of the contracts include the awarding of 50 000 shares in the company at zero cost over three years, dependent on performance criteria. Mr S B Joffe has been awarded a further 200 000 shares in the company at zero cost over a further 2 years, dependent on performance criteria. Accordingly, in order to enable the aforementioned directors to derive benefits equivalent to those that they would have derived if they had been holders of the relevant Gold Reef shares, the board has agreed that the performance criteria be waived and the staff award shares be accelerated and issued and allotted immediately.

The above resolutions of the board are subject to the resolute condition that if the scheme is not implemented or the general offer (if made) does not become unconditional, the above resolutions of the board will cease to be of any force and effect, and the Gold Reef share scheme participants and aforementioned directors will be returned to the position they would have been in had neither resolution been passed.

8. BEE SHAREHOLDERS' AND KEY MANAGEMENT'S INTERESTS IN BIDCO

In order to enhance the current Black Economic Empowerment status of the operations of the Gold Reef group, it is intended that the BEE shareholders, on the operative date, will own 30,0% of Holdco.

In order to maintain the current management of Gold Reef, it is intended that key management, on the operative date, will own 12,5% of Holdco.

9. OFFER IMPLEMENTATION AGREEMENT, NON-SOLICITATION AND BREAK FEE

9.1 Offer implementation agreement

Gold Reef and BidCo have entered into an offer implementation agreement which provides, *inter alia*, for implementation of the scheme, or, if applicable, the general offer, a non-solicitation arrangement and payment of a break fee described below, and which contains certain assurances and confirmations between the parties.

9.2 Non-solicitation agreement

Gold Reef has agreed that, until the earlier of the scheme becoming operative or the general offer becoming unconditional, as the case may be, or the OIA being terminated, it will not, nor will it permit any member of its group (nor any of their respective directors, officers, senior employees or professional advisers) to solicit a proposal from a third party to acquire all or a major portion of the shares in the company or all or a major portion of the company's undertaking, assets or businesses or, save where required by the Code or the fiduciary duties of the board, to enter into any talks with any third party in response to an unsolicited competing offer. Gold Reef has undertaken that it has terminated all talks with third parties in which it was engaged prior to the date of signature of the OIA. Gold Reef will immediately inform BidCo if it receives an approach in respect of a competing offer, and will keep BidCo advised as to the progress of such approach.

If Gold Reef receives an unsolicited competing offer, Gold Reef will, within two days of receipt thereof, inform BidCo of the details of the competing offer and, unless the competing offer is superior to BidCo's offer, Gold Reef will use all reasonable endeavours to procure that its directors do not withdraw or modify its recommendation of BidCo's offer. Where the unsolicited competing offer is a superior offer, BidCo will be given two business days to confirm in writing that it intends to increase or revise its offer or submit another offer which in either case would, in the opinion of the board, provide superior financial value to the Gold Reef shareholders than the unsolicited competing offer and is otherwise on terms which are, in the reasonable opinion of the board, substantially equal to or not materially worse than those contained in the unsolicited competing offer. If BidCo fails to so advise within two business days and/or subsequently fails to announce its revised or increased offer within 10 business days, Gold Reef shall be entitled to terminate the OIA and to withdraw or modify its recommendation of BidCo's offer.

9.3 Break fee

The board has agreed that if:

- 9.3.1 a competing offer is announced while the offer is still open and such competing offer is thereafter recommended by the board and successfully implemented; or
- 9.3.2 if the board withdraws its recommendation in the absence of a competing offer or a negative final fair and reasonable opinion as referred to in Annexure I or 11 below; or
- 9.3.3 Gold Reef breaches any of its obligations under the OIA (and fails to remedy such breach within 10 business days of receipt of written notice thereof, or such other period as may be reasonable having regard to the nature of the breach);

then Gold Reef will pay BidCo a break fee of 1% of the total scheme consideration or total offer consideration as the case may be (plus VAT). The break fee shall be the sole remedy available to BidCo for any such breach.

10. COSTS

Each of BidCo and Gold Reef will bear their own costs of, and incidental to, the scheme.

The cost to Gold Reef of the scheme, including JSE and SRP documentation fees, printing and publishing costs and amounts payable to the corporate advisors, corporate law advisors and the independent advisor, is estimated at approximately R32,2 million (exclusive of VAT).

11. ADVISORS' CONSENTS

All the advisors and the transfer secretaries have consented in writing to the inclusion of their names and, where applicable, opinions in this document in the form and context in which they appear and have not withdrawn their consents prior to the publication of this document.

12. DIRECTORS' RESPONSIBILITY STATEMENTS

12.1 The board, insofar as the information relates to Gold Reef, and the BidCo board, insofar as the information relates to BidCo:

12.1.1 have considered all statements of fact and opinion in this document;

12.1.2 accept, individually and collectively, full responsibility for the accuracy of such statements; and

12.1.3 certify that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statements of fact or opinion contained in this document false or misleading and have made all reasonable enquiries in this regard.

12.2 The names of the board and the BidCo board appear on page 39 of this document.

13. LITIGATION STATEMENT

Akani Egoli (Proprietary) Limited and Gold Reef City Theme Park (Proprietary) Limited have issued summons against M-Net and Carte Blanche for damages suffered as a result of incorrect negative publicity aired during March 2005. The case is expected to be heard early in 2008.

Widgetrade 205 (Proprietary) Limited ("Widgetrade") holds an option to increase its shareholding in Garden Route Casino (Proprietary) Limited, a subsidiary of Gold Reef, to 25,1%. The exercise price of the option was fixed until 28 February 2007 at R36,4 million. Thereafter the exercise price is increased to the fair value of the shares acquired. Kovacs 838 (Proprietary) Limited ("Kovacs") sent a letter notifying Gold Reef of its intention to exercise the option on 27 February 2007 and deposited R36,4 million into Gold Reef's bank account. Gold Reef is disputing Kovacs' right to exercise the option granted to Widgetrade and has refunded the money to Kovacs.

Apart from the above, the board is not aware of any disputes, or any pending, legal or arbitration proceedings involving the Gold Reef group which may have, or have had, in the 12 months preceding the date of this document, a material impact on the financial position of the Gold Reef group and not provided for in the audited financial statements of the Gold Reef group for the year ended 31 December 2006.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Gold Reef situated at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa during normal office hours from the date of this document being Friday, 5 October 2007 up to and including the date on which the scheme is sanctioned by the Court which is expected to be Tuesday, 13 November 2007:

14.1 the offer implementation agreement;

14.2 a signed copy of this document;

14.3 the Order of Court convening the scheme meeting;

14.4 the audited financial statements of Gold Reef for the four financial years ended December 2003, December 2004, December 2005 and December 2006 and the unaudited interim results for the period ended 30 June 2007;

14.5 the memorandum and articles of association of Gold Reef;

14.6 the signed letter from the independent advisor;

14.7 the deed of the Gold Reef Share Trust;

14.8 the circular to ordinary shareholders of Gold Reef dated 2 May 2007;

- 14.9 the irrevocable undertakings referred to in paragraph 5 of the statement of directors' interests on page 43; and
- 14.10 written consents from Goldman Sachs, Merrill Lynch South Africa (Proprietary) Limited, Edward Nathan Sonnenbergs, Werksmans Incorporated, PricewaterhouseCoopers Inc, Link Market Services South Africa (Proprietary) Limited, Ernst & Young Advisory Services Limited and Fluxmans Inc to the inclusion of their names, and where applicable, reports and opinions in this document in the form and context in which they appear and that such consent is not withdrawn prior to the publication of this document.

For and on behalf of the board

GOLD REEF RESORTS LIMITED

J S Friedman
Director

Johannesburg
5 October 2007

For and on behalf of the board

**FLUXRAB INVESTMENTS NO 159
(PROPRIETARY) LIMITED**

C N Zephyrine
Director

Johannesburg
5 October 2007

OPINION OF THE INDEPENDENT ADVISOR TO THE BOARD REGARDING THE SCHEME AND THE GENERAL OFFER

Gold Reef Resorts Limited
Gold Reef City, Gate 4
Northern Parkway
Ormonde
Johannesburg, 2091

19 September 2007

ATTENTION: THE DIRECTORS

Dear Sirs

APPROPRIATE EXTERNAL ADVICE TO THE BOARD OF GOLD REEF REGARDING THE SCHEME AND THE GENERAL OFFER

1. INTRODUCTION

The definitions outlined in the "Definitions and Interpretation" section of this document, of which this letter forms a part, have been used throughout this letter.

It was announced on SENS on 4 and 7 September 2007 that BidCo had submitted to the board a firm intention to make an offer to acquire the entire issued share capital of Gold Reef, other than the shares held by Aldiss, at a price of R34,00 in cash per share, which, if applicable, will increase by one South African cent per share per business day from 1 January 2008 until the operative date.

The offer is to be implemented by way of a scheme of arrangement in terms of section 311 of the Companies Act proposed by BidCo between Gold Reef and the Gold Reef shareholders, other than Aldiss.

Should the scheme not become operative for any reason, other than the failure to obtain any necessary regulatory approval (excluding a failure of the Court to sanction the scheme), BidCo may elect, subject to the fulfilment of certain conditions precedent, to make a general offer to shareholders, other than Aldiss, to acquire all of their shares for the offer consideration of R34,00.

We have been appointed by the directors of Gold Reef to provide appropriate external advice on whether the scheme and general offer are fair and reasonable to the shareholders of Gold Reef as is required in terms of Rule 3.1 of the Code.

2. DEFINITION OF FAIR AND REASONABLE

Fairness is primarily based on quantitative factors, whilst reasonableness includes the qualitative issues surrounding the scheme and general offer.

The scheme and general offer will generally be considered fair if the value received by Gold Reef shareholders as a result of the implementation of the scheme or general offer (namely the receipt of the scheme consideration or offer consideration) is considered to be equal to or greater than the value surrendered by such parties (namely the fair value of the shares of Gold Reef).

It is conceivable that under certain circumstances the scheme or general offer could nevertheless be considered reasonable even if they were priced at a level which is assessed to be less than fair value.

3. PROCEDURES PERFORMED AND SOURCES OF INFORMATION

We have performed, amongst others, the following procedures:

- obtained a current understanding of the individual operations of Gold Reef as well as their relative market shares, market positioning, product offerings, etc through *inter alia*:
 - reviewed and analysed the historical financial information in respect of Gold Reef and its underlying operations;
 - reviewed the strategic plans, including budgets and medium-term financial forecasts (including the forecasts presented to the relevant banks in order to obtain funding approval) of Gold Reef (as prepared by management) and challenged and adjusted certain assumptions (where we believed such to be appropriate);
 - held discussions with management of Gold Reef in respect of its future prospects; and
 - considered publicly available information, such as analysts and/or broker reports, the internet, newspapers and other financial publications – both on Gold Reef specifically as well as on the gaming industry in which it operates;
- held discussions with representatives of Merrill Lynch South Africa (Proprietary) Limited, the financial advisors and transaction sponsor to Gold Reef;
- gained an understanding of the process as undertaken by the board in soliciting and/or accepting various bids/indicative offers for Gold Reef from interested parties and reviewed the relevant information as provided to the bidders during their due diligence processes;
- analysed the current and recent status of Gold Reef's shares on the JSE including trading prices, volumes, volatility and the volume weighted average traded share prices;
- obtained information on relevant local and global indices, appropriate listed benchmarks and recent comparable transactions, all for purposes of benchmarking Gold Reef against comparable companies in the same industries, both locally and abroad;
- performed an independent valuation of the shares of Gold Reef using a discounted cash flow valuation methodology. Key value drivers are forecast gross gaming revenue growth rates and forecast EBITDAR margins (earnings before interest, taxation, depreciation, amortisation and operating rentals) and we conducted appropriate sensitivity analyses given a reasonable range of key assumptions;
- corroborated the result of our discounted cash flow valuation by comparing the implied enterprise value/EBITDAR multiples to those of recent comparable transactions and listed entities;
- considered the terms and conditions of as well as the commercial issues relating to the scheme and the general offer; and
- based on the results of the procedures mentioned above, determined the fairness and reasonableness of the scheme consideration and the offer consideration as it concerns shareholders of Gold Reef.

We believe that the above considerations commercially justify the conclusion outlined below.

4. LIMITING CONDITIONS

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to work performed by independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Gold Reef.

The opinion expressed below is necessarily based upon the information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. Subsequent developments may affect our opinion. However, we are under no obligation to update, revise or re-affirm such.

5. OPINION

Based upon and subject to the foregoing, we are of the opinion that, on the basis of an arm's length transaction concluded between a willing buyer and a willing seller, the fair value of a Gold Reef share is between R28.60 and R35.40. Given that the scheme consideration and offer consideration fall within that range, we are of the opinion that the scheme consideration and offer consideration are fair and reasonable to Gold Reef shareholders.

This opinion does not purport to cater for each individual shareholder's circumstances and/or risk profile, but rather that of the general body of Gold Reef shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and accordingly shareholders should consult with an independent advisor if they are in any doubt as to the merits or otherwise of the scheme or the general offer.

6. USE OF THIS OPINION

This opinion is provided solely for the use of the board and Gold Reef shareholders in connection with and for the purpose of their consideration of the scheme and general offer. This opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose, nor shall any public references to Ernst & Young or Ernst & Young Advisory Services Limited be made by Gold Reef or any of its affiliates, without the prior consent of Ernst & Young Advisory Services Limited.

7. INDEPENDENCE AND CONSENT TO PUBLICATION

We have been retained by the board as an independent expert to the board and shareholders in connection with the scheme and general offer and we will receive a fixed fee for the services provided in connection herewith, which fee is payable upon delivery of this opinion. We confirm that, other than the aforementioned, we have no interest, direct or indirect, beneficial or non-beneficial, in Gold Reef or in the success or failure of the scheme or general offer which form the subject matter hereof.

We hereby consent to this letter, and the references thereto, being made public to holders of Gold Reef shares in the form and context in which they are to be published in this document to shareholders on or about 4 October 2007. We confirm that we have given and have not withdrawn our consent prior to the issue of the said document to Gold Reef shareholders.

Yours faithfully

D J THAYSER

Director

Ernst & Young Advisory Services Limited
Ground Floor, Wanderers Office Park
52 Corlett Drive
Illovo
2196

EXTRACTS FROM THE HISTORICAL AUDITED FINANCIAL INFORMATION OF GOLD REEF FOR THE FOUR YEARS ENDED 31 DECEMBER 2003, 31 DECEMBER 2004, 31 DECEMBER 2005, 31 DECEMBER 2006 AND THE UNAUDITED INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2007

The salient financial information has been extracted without adjustment from the audited annual financial statements of Gold Reef for the four financial years ended December 2003, December 2004, December 2005 and December 2006.

INCOME STATEMENTS

| | IFRS 2006 R'000 | IFRS 2005 R'000 | IFRS 2004 R'000 | SA GAAP 2003 R'000 |
|--|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| Revenue | 1 517 113 | 1 165 422 | 1 056 683 | 903 903 |
| Net gaming win | 1 381 332 | 1 046 409 | 934 502 | 790 876 |
| Theme Park | 58 396 | 46 700 | 54 424 | 52 057 |
| Food and beverage | 33 759 | 26 944 | 26 465 | 22 430 |
| Other | 43 626 | 45 369 | 41 292 | 38 540 |
| Other income | 9 365 | 27 806 | 11 170 | 2 887 |
| | 1 526 478 | 1 193 228 | 1 067 853 | 906 790 |
| Gaming levies and VAT | (271 310) | (207 610) | (186 346) | (158 387) |
| Employee costs | (314 695) | (253 402) | (219 678) | (187 195) |
| Promotional and marketing costs | (113 679) | (107 484) | (84 480) | |
| Depreciation and amortisation | (101 812) | (90 278) | (86 122) | (89 790) |
| Other operating expenses | (218 482) | (147 144) | (144 042) | (212 188) |
| Operating profit | 506 500 | 387 310 | 347 185 | 259 230 |
| Finance income | 11 957 | 19 179 | 7 957 | 11 942 |
| Finance costs | (36 960) | (19 295) | (13 222) | (43 013) |
| Profit before equity accounted earnings | 481 497 | 387 194 | 341 920 | 228 160 |
| Share of profits of associate | 669 | 2 613 | 1 414 | – |
| Profit before taxation | 482 166 | 389 807 | 343 334 | 228 160 |
| Taxation expense | (159 210) | (121 968) | (122 302) | (81 925) |
| Profit for the year | 322 956 | 267 839 | 221 032 | 146 235 |
| Attributable to: | | | | |
| Equity holders of Gold Reef | 254 312 | 230 732 | 192 208 | 125 069 |
| Minority interest | 68 644 | 37 107 | 28 824 | 21 166 |
| | 322 956 | 267 839 | 221 032 | 146 235 |
| Number of shares ('000) | | | | |
| – in issue | 220 603 | 220 603 | 220 003 | 217 860 |
| – for EPS calculation | 203 961 | 205 260 | 203 938 | 202 031 |
| – for diluted EPS calculation | 203 961 | 205 410 | 204 538 | 202 631 |
| Earnings per share (cents) | | | | |
| – earnings per share | 124,7 | 112,4 | 94,2 | 61,9 |
| – diluted earnings per share | 124,7 | 112,3 | 94,0 | 61,8 |
| Dividends per share (cents) | 55,0 | 51,0 | 48,0 | 27,0 |

BALANCE SHEETS

| | IFRS 2006 R'000 | IFRS 2005 R'000 | IFRS 2004 R'000 | SA GAAP 2003 R'000 |
|--|-----------------------|-----------------------|-----------------------|--------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 1 278 485 | 857 039 | 845 540 | 865 107 |
| Leasehold improvements | 101 710 | 98 540 | 101 626 | 140 461 |
| Intangible assets | 472 717 | 135 092 | 93 458 | 84 305 |
| Deferred tax assets | 62 627 | 6 046 | 9 624 | – |
| Investment in associate | – | 5 315 | 7 378 | 21 888 |
| Investment in joint ventures | 36 280 | 18 591 | 18 733 | 23 398 |
| Financial assets | 94 675 | 1 | 1 | 1 |
| Share incentive scheme | 25 484 | 32 839 | 37 613 | 21 715 |
| | 2 071 978 | 1 153 463 | 1 113 973 | 1 156 875 |
| Current assets | | | | |
| Inventories | 7 584 | 2 739 | 2 986 | 3 340 |
| Receivables and prepayments | 20 223 | 15 007 | 17 666 | 12 785 |
| Cash and cash equivalents | 105 735 | 126 547 | 104 742 | 65 791 |
| Amounts owing by related parties | 4 865 | 98 401 | 27 840 | 812 |
| | 138 407 | 242 694 | 153 234 | 82 728 |
| Total assets | 2 210 385 | 1 396 157 | 1 267 207 | 1 239 603 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | | | | |
| Ordinary share capital | 4 412 | 4 412 | 4 400 | 4 064 |
| Share premium | 499 280 | 499 280 | 497 888 | 481 769 |
| Treasury shares | (75 340) | (75 340) | (44 157) | (43 854) |
| | 428 352 | 428 352 | 458 131 | 441 979 |
| Share-based payment reserve | 26 210 | 16 222 | 6 480 | – |
| Other reserves | 13 795 | 2 774 | 2 741 | 1 611 |
| Retained earnings | 719 892 | 595 373 | 463 589 | 372 880 |
| | 1 188 249 | 1 042 721 | 930 941 | 816 470 |
| Minority interest | 196 895 | 96 429 | 74 454 | 69 715 |
| Total equity | 1 385 144 | 1 139 150 | 1 005 395 | 886 185 |
| Non-current liabilities | | | | |
| Interest-bearing borrowings | 394 330 | 10 682 | 26 698 | 98 338 |
| Deferred tax liabilities | 56 453 | 42 394 | 50 019 | 8 396 |
| | 450 783 | 53 076 | 76 717 | 106 734 |
| Current liabilities | | | | |
| Trade and other payables | 144 623 | 66 033 | 72 811 | 59 379 |
| Provisions | 46 653 | 13 809 | 15 941 | 23 999 |
| Bank overdraft | 43 013 | 17 185 | 138 | – |
| Tax liabilities | 58 779 | 55 443 | 62 736 | 57 057 |
| Current portion of interest-bearing borrowings | 76 967 | 50 000 | 30 000 | 105 144 |
| Amounts owing to related parties | 4 423 | 1 461 | 3 469 | 1 105 |
| | 374 458 | 203 931 | 185 095 | 246 684 |
| Total equity and liabilities | 2 210 385 | 1 396 157 | 1 267 207 | 1 239 603 |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

| | Share capital R'000 | Share premium R'000 | Treasury shares R'000 | Share- based payment reserve R'000 | Other reserves R'000 | Retained earnings R'000 | Total equity holders' interest R'000 | Minority interest R'000 | Total equity R'000 |
|--|---------------------------|---------------------------|-----------------------------|--|----------------------------|-------------------------------|--|-------------------------------|--------------------------|
| Balance at 1 January 2003 | 4 269 | 465 759 | (303) | – | 1 774 | 276 808 | 748 307 | 57 685 | 805 992 |
| Ordinary shares issued | 86 | 16 064 | – | – | – | – | 16 150 | – | 16 150 |
| Ordinary shares acquired in odd-lot offer | * | (42) | – | – | – | – | (42) | – | (42) |
| Treasury shares acquired | – | – | (43 854) | – | – | – | (43 854) | – | (43 854) |
| Transfer between reserves | – | – | – | – | (163) | (163) | – | – | – |
| Attributable profit for the year | – | – | – | – | – | 125 069 | 125 069 | 21 166 | 146 235 |
| Subsidiary acquisition | – | – | – | – | – | – | – | (9 136) | (9 136) |
| Dividend declared | – | – | – | – | – | (29 160) | (29 160) | – | (29 160) |
| Balance at 1 January 2004 | 4 355 | 481 781 | (44 157) | – | 1 611 | 372 880 | 816 470 | 69 715 | 886 185 |
| Adjustments on conversion to IFRS | – | – | – | 982 | – | (48 576) | (47 594) | (10 384) | (57 978) |
| Ordinary shares issued | 45 | 16 107 | – | – | – | – | 16 152 | – | 16 152 |
| Recognition of share-based payments | – | – | – | 5 498 | – | – | 5 498 | – | 5 498 |
| Transfer between reserves | – | – | – | – | (12) | 12 | – | – | – |
| Profit on sale of shares by share trust | – | – | – | – | 1 142 | – | 1 142 | – | 1 142 |
| Attributable profit for year | – | – | – | – | – | 192 208 | 192 208 | 28 824 | 221 032 |
| Dividend declared | – | – | – | – | – | (52 935) | (52 935) | – | (52 932) |
| Movement in loans from minorities | – | – | – | – | – | – | – | (13 701) | (13 701) |
| Balance at 1 January 2005 | 4 400 | 497 888 | (44 157) | 6 480 | 2 741 | 463 589 | 930 941 | 74 454 | 1 005 395 |
| Ordinary shares issued | 12 | 1 392 | – | – | – | – | 1 404 | – | 1 404 |
| Treasury shares acquired | – | – | (31 183) | – | – | – | (31 183) | – | (31 183) |
| Recognition of share-based payments | – | – | – | 9 742 | – | – | 9 742 | – | 9 742 |
| Transfer between reserves | – | – | – | – | (16) | 16 | – | – | – |
| Profit on sale of shares by share trust | – | – | – | – | 49 | – | 49 | – | 49 |
| Attributable profit for year | – | – | – | – | – | 230 732 | 230 732 | 37 107 | 267 839 |
| Dividend declared | – | – | – | – | – | (98 964) | (98 964) | – | (98 964) |
| Movement in loans from minorities | – | – | – | – | – | – | – | (15 132) | (15 132) |
| Balance at 1 January 2006 | 4 412 | 499 280 | (75 340) | 16 222 | 2 774 | 595 373 | 1 042 721 | 96 429 | 1 139 150 |
| Recognition of share-based payments | – | – | – | 9 988 | – | – | 9 988 | – | 9 988 |
| Revaluation of land per IFRS 3 | – | – | – | – | 27 519 | – | 27 519 | – | 27 519 |
| Hedge reserve created during year | – | – | – | – | (10 345) | – | (10 345) | – | (10 345) |
| Attributable profit for year | – | – | – | – | – | 254 312 | 254 312 | 68 644 | 322 956 |
| Dividend declared | – | – | – | – | – | (104 020) | (104 020) | – | (104 020) |
| Movement in loans from minorities | – | – | – | – | – | – | – | (1 702) | (1 702) |
| Adjustment arising on ALI refinancing | – | – | – | – | – | (25 773) | (25 773) | 61 323 | 35 550 |
| Transactions with minorities in West Coast Leisure | – | – | – | – | (6 153) | – | (6 153) | (1 623) | (7 776) |
| Dividends paid to minorities by subsidiaries | – | – | – | – | – | – | – | (42 505) | (42 505) |
| Minorities created on Goldfields Casino acquisition | – | – | – | – | – | – | – | 3 213 | 3 213 |
| Minorities created on Garden Route Casino acquisition | – | – | – | – | – | – | – | 13 116 | 13 116 |
| Balance at 31 December 2006 | 4 412 | 499 280 | (75 340) | 26 210 | 13 795 | 719 892 | 1 188 249 | 196 895 | 1 385 144 |

*Amount less than R1 000.

GROUP CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER

| | Notes | IFRS 2006 R'000 | IFRS 2005 R'000 | IFRS 2004 R'000 | SA GAAP 2003 R'000 |
|---|-------|-----------------------|-----------------------|-----------------------|--------------------------|
| Cash flow from operating activities | | | | | |
| Profit before taxation | | 482 166 | 389 807 | 343 334 | 228 160 |
| Non-cash items and other adjustments | 29 | 137 263 | 69 775 | 87 772 | 121 317 |
| | | 619 429 | 459 582 | 431 106 | 349 477 |
| Decrease/(increase) in net current assets | 29 | 49 438 | (6 004) | 9 334 | 21 044 |
| Cash flow from operating activities | | 668 867 | 453 578 | 440 440 | 370 521 |
| Interest received | | 11 957 | 19 179 | 7 957 | 11 942 |
| Interest paid | | (36 960) | (16 892) | (12 658) | (41 136) |
| Taxation paid | 29 | (227 584) | (133 308) | (92 300) | (55 106) |
| Dividend paid | | (104 020) | (98 964) | (52 935) | (29 160) |
| Net cash generated in operating activities | | 312 260 | 223 593 | 290 504 | 257 061 |
| Cash flow from investing activities | | | | | |
| Additions to property, plant and equipment | | (351 456) | (107 708) | (88 550) | (39 761) |
| Additions to leasehold improvements | | (6 530) | (127) | (1 297) | – |
| Proceeds from disposal of property, plant and equipment | | 4 178 | 9 433 | 2 952 | 3 103 |
| Proceeds from disposal of management contract | | – | 5 000 | – | – |
| (Investment in)/proceeds from disposal of financial instruments | | (94 674) | 20 411 | – | – |
| Investment in intangibles | | (53) | (42 771) | (2 114) | (59) |
| Loans (issued to)/repaid by joint ventures | 16 | (36 280) | 548 | 4 926 | (26 051) |
| Loans repaid by associates | 15 | 691 | 5 052 | 16 145 | (20 667) |
| Net repayments by/(advances to) related parties | | 94 601 | (72 569) | (24 664) | 2 290 |
| Net cash effect of acquisition of ordinary shares in Inkonka | 30 | (150 503) | – | – | – |
| Net cash effect of acquisition of loan to Inkonka | | (25 120) | – | – | – |
| Net cash effect of ALI refinancing | | 35 550 | – | – | – |
| Net cash effect of acquisition of Tanglepark | | (117 006) | – | – | – |
| Net cash effect of acquisition of Silverstar | | (78 278) | – | – | – |
| Net cash effect of acquisition of West Coast Leisure | | (7 776) | – | – | – |
| Net cash effect of additional acquisition of Akani Egoli | | – | – | – | (5 603) |
| Net cash effect of acquisition of Garden Route Casino | | – | – | – | (24 219) |
| Net cash utilised in investing activities | | (732 656) | (182 731) | (92 602) | (110 967) |
| Cash flow from financing activities | | | | | |
| Ordinary shares issued | | – | 12 | – | – |
| Share premium raised | | – | 1 392 | – | – |
| Net treasury shares acquired | | – | (31 134) | – | (43 896) |
| Decrease in share incentive scheme loan | | 7 355 | 4 774 | 1 396 | 2 308 |
| Dividend and loan repayments to outside shareholders | | (44 207) | (15 132) | (13 701) | (15 768) |
| Increase/(decrease) in interest-bearing borrowings | | 410 608 | 3 984 | (146 784) | (176 312) |
| Net cash generated/ utilised in financing activities | | 373 756 | (36 104) | (159 089) | (233 668) |
| Net (decrease)/increase in cash and cash equivalents | | | | | |
| | | (46 640) | 4 758 | 38 813 | (87 574) |
| Cash and cash equivalents at beginning of year | | 109 362 | 104 604 | 65 791 | 153 365 |
| Cash and cash equivalents at end of year | 21 | 62 722 | 109 362 | 104 604 | 65 791 |

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2003, have been prepared in accordance with SA GAAP. The consolidated financial statements for the year ended 31 December 2004, 31 December 2005 and 31 December 2006 have been prepared in accordance with International Financial Reporting Standards (IFRS).

The term IFRS includes International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC). The standards referred to are set by the International Accounting Standards Board (IASB).

1.2 Financial statement presentation

The consolidated annual financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

1.3 Consolidation

1.3.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which Gold Reef has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5, which are recognised and measured at fair value less costs to sell.

If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

The group applies a policy of treating transactions with minority interests as transactions with equity owners of the group. For purchases from minority interests, the difference between the consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recorded in equity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3.2 **Associates**

An associate is an entity over which Gold Reef has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3.3 **Joint venture undertakings**

A joint venture is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control, that is when the strategic, financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Where a group entity undertakes its activities under joint venture arrangements directly, the group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held-for-sale, in which case it is accounted for under IFRS 5. The group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the group's interest in a jointly controlled entity is accounted for in accordance with the group's accounting policy for goodwill arising on the acquisition of a subsidiary (see 1.6.1).

Where the group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the group's interest in the joint venture.

1.4 **Property, plant and equipment**

Land and buildings comprise mainly casino buildings and offices. Property, plant and equipment are shown at historical cost, less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives.

All significant assets' residual values and remaining useful lives are reviewed annually, and estimated useful lives are adjusted, if appropriate, at each balance sheet date. The following estimated useful lives were used in the preparation of these accounts:

| | |
|---|--------------|
| • Buildings | 50 years |
| • Plant and machinery | 5 – 15 years |
| • Casino equipment | 5 – 6 years |
| • Theme Park rides | 6 – 26 years |
| • Vehicles | 5 years |
| • Furniture, fittings and other equipment | 5 – 10 years |
| • Computer equipment and software | 2 – 6 years |
| • Computer mainframes and servers | 5 years |

Professional valuations of the residual values of land and buildings are updated at least once every three years. At each balance sheet date, these residual values are compared to market values of 50-year-old properties and adjusted accordingly.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leasehold improvements are depreciated using the straight-line method over the period of the lease adjusted for any decommissioning costs to be incurred at the end of the lease period.

Gains and losses on disposals are determined by comparing the proceeds with the respective carrying amounts and are included in operating profit.

1.5 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.6 **Intangible assets**

1.6.1 **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the net fair value of the group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary, associate or jointly controlled entity recognised at the date of acquisition. Goodwill on acquisitions of subsidiaries and jointly controlled entities is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill is allocated to each of Gold Reef's cash-generating units expected to benefit from the synergies of the combination. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The group considers each existing business operation to be a cash-generating unit. Cash-generating

units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro rata* on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

1.6.2 Trademarks

Trademarks are recognised at cost. Trademarks have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives. The estimated useful lives of the group's trademarks are 10 years.

1.6.3 Royalty fees

Royalty fees in respect of past services are capitalised on the basis of the costs incurred to acquire the specific royalty. These costs are amortised over the estimated useful life of the royalty purchased (20 years).

1.6.4 Bid costs and licences

Capitalised bid costs that relate to the exclusivity period of the casino licence are amortised over the exclusivity period.

Bid costs incurred that relate to the casino licence are amortised over the period of the licence, or over 50 years for permanent licences.

1.7 Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Research and development expenditure previously recognised as an expense is not recognised as an asset in subsequent periods.

Internally generated intangible assets are recognised when it is probable that the project to which the expenditure relates will be a success, considering its commercial and technical feasibility and costs can be reliably measured. These intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

1.8 Impairment of tangible and definite-lived intangible assets excluding goodwill

At each balance sheet date the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.9 Financial instruments

The group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

1.9.1 **Financial assets at fair value through profit or loss**

This category has two subcategories: financial assets held-for-trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held-for-trading or are expected to be realised within 12 months of the balance sheet date.

1.9.2 **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

1.9.3 **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade date, the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period. Realised and unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

1.9.4 **Financial guarantee contracts**

The group recognises financial guarantee contracts it is required to make specified payments to reimburse the holder for a loss it incurs because a specified debtor (outside of the group) fails to make payment when due in accordance with the original or modified terms of a debt instrument.

1.10 **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and related costs that have been incurred in bringing the inventories to their present location and condition. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable marketing, selling and distribution expenses.

1.11 **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are disclosed separately under current liabilities.

1.12 **Share capital**

Ordinary shares are classified as equity.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed. Where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to the company's equity holders.

1.13 **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1.14 **Taxation**

The SA normal tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Secondary tax on companies (STC) is calculated in respect of dividend payments net of dividends received. Income tax expense represents the sum of SA normal tax, STC and deferred tax.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at tax rates enacted or substantially enacted in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

1.15 Employee benefits

1.15.1 Share-based payments – Gold Reef Share Scheme

The group operates an equity-settled, share-based compensation plan. Options are granted to permanent employees at the discretion of the directors in terms of which shares in Gold Reef may be acquired based on prices prevailing at the dates of granting the options. Delivery of the shares so acquired is effected at future dates, which are determined at the time of granting the options. Shares acquired through the share incentive scheme have to be paid for by the employees at the subscription prices as determined in the option contracts.

On a group level the Gold Reef Share Scheme is consolidated. Upon exercise of the options the subscription value is credited to share capital (nominal value) and share premium and debited to a non-current asset. The non-current asset is considered payable when the employees exercise the options.

The fair value of the employee services received by the company and/or its subsidiaries in exchange for the grant of the options is recognised as an expense. The fair value of the employee services received by the company's associates in exchange for the grant of the options is recognised as an increase in the investment in associate. The fair value of the employee services received by the company's joint ventures in exchange for the grant of the options is recognised as an expense to the extent that the venture is consolidated, any remaining portion is included in the investment in joint venture.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the vesting period. This equity account is included in the share-based payment reserve of the company.

Fair value is measured using a modified Binomial pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

1.15.2 Bonus plans

The group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises the liability where a reliable estimate can be made of the amount to be paid and it is contractually obliged to do so or there is a past practice that has created a constructive obligation and the directors are of the opinion that it is probable that such bonuses will be paid.

1.15.3 Retirement benefit costs

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.

1.15.4 **Employee leave entitlement**

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

1.16 **Provisions**

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The increase in the provision due to passage of time is recognised as an interest expense.

1.17 **Revenue recognition**

Gaming revenue comprises the net gaming win generated by casino operations. In terms of accounting standards, contracts concluded under gaming operations meet the definition of derivatives, and therefore income from gaming operations represents the net position arising from financial instruments. Net gaming win is measured as the net cash received from casino operations. Due to the short-term nature of the group's casino operations, all income is recognised in profit and loss immediately, at fair value.

Revenue arising from entrance fees, theatre revenue, hotel revenue, parking revenue, rental income, management fees and commissions and food and beverage revenue are recorded on the accrual basis.

VAT and other taxes levied on casino winnings are included in net gaming win and are treated as direct costs as these are borne by the group and not customers. VAT on all other revenue transactions is excluded from revenue as this is considered to be a tax collected as an agent on behalf of the South African Revenue Service.

Other revenue earned by the group is recognised on the following bases:

- royalty income: on an accrual basis in accordance with the substance of the relevant agreement;
- interest income: as it accrues (taking into account the effective yield on the assets) unless collectability is in doubt; and
- dividend income: when the shareholders' rights to receive payment have been established.

1.18 **Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased property and the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing borrowings. The interest element of the finance charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets.

Assets leased to third parties under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

1.19 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's board of directors.

1.20 Segmental reporting

In terms of IAS 14, the group operates in one business and one geographic segment only.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

2.1.1 Market risk

To manage their foreign exchange risk arising from future commercial transactions, which result in the group recognising assets and liabilities, entities in the group use forward contracts. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The group's risk management policy is to hedge the majority of anticipated transactions (mainly import purchases) in each major currency.

2.1.2 Credit risk

The group has no significant concentrations of credit risk. It has policies in place to ensure that the granting of credit to customers is adequately controlled.

2.1.3 Cash flow and fair value interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

The group manages its cash flow interest rate risk by using interest rate derivatives. Such interest rate derivatives have the economic effect of converting borrowings from floating rates to fixed rates.

2.2 Accounting for derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); (2) hedges of highly probable forecast transactions (cash flow hedges).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

2.2.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2.2.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.2.3 Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

2.4 Foreign currencies

For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in South African rand, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In order to hedge its exposure to certain foreign exchange risks, the group enters into forward contracts and options.

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

GROUP INCOME STATEMENT

| | % | Unaudited for the six months ended 30 June 2007 R'000 | Unaudited for the six months ended 30 June 2006 R'000 | Audited for the 12 months ended 31 December 2006 R'000 |
|--|-------|---|---|--|
| Revenue | 17,9 | 839 178 | 711 829 | 1 517 113 |
| Net gaming win | 17,6 | 771 217 | 656 022 | 1 381 332 |
| Theme Park | 49,9 | 31 032 | 20 700 | 58 396 |
| Food and beverage | 22,3 | 18 490 | 15 119 | 33 759 |
| Other | (7,7) | 18 439 | 19 988 | 43 626 |
| Other income | | 6 366 | 4 280 | 9 365 |
| | | 845 544 | 716 109 | 1 526 478 |
| Gaming levies and VAT | | (151 332) | (129 174) | (271 310) |
| Employee costs | | (167 098) | (151 402) | (314 695) |
| Promotional and marketing costs | | (57 462) | (51 908) | (113 679) |
| Depreciation and amortisation | | (52 997) | (51 731) | (101 812) |
| Other operating expenses | | (117 599) | (99 075) | (218 482) |
| Operating profit | 28,4 | 299 056 | 232 819 | 506 500 |
| Finance income | | 8 527 | 6 435 | 11 957 |
| Finance costs | | (24 269) | (14 122) | (36 960) |
| Profit before equity-accounted earnings | | 283 314 | 225 132 | 481 497 |
| Share of profits of associate | | – | 669 | 669 |
| Profit before taxation | 25,5 | 283 314 | 225 801 | 482 166 |
| Taxation expense | | (103 718) | (87 378) | (159 210) |
| Profit for the period | 29,7 | 179 596 | 138 423 | 322 956 |
| Attributable to: | | | | |
| Equity holders of Gold Reef | 25,4 | 138 190 | 110 228 | 254 312 |
| Minority interest | | 41 406 | 28 195 | 68 644 |
| | | 179 596 | 138 423 | 322 956 |
| Number of shares in issue ('000) | | 220 603 | 220 603 | 220 603 |
| Weighted average number of shares in issue ('000) | | 203 961 | 203 961 | 203 961 |
| Earnings per share (cents) | 25,6 | 67,8 | 54,0 | 124,7 |
| Diluted earnings per share (cents) | 25,6 | 67,8 | 54,0 | 124,7 |
| SUPPLEMENTARY INFORMATION | | | | |
| HEADLINE EARNINGS RECONCILIATION | | | | |
| Attributable profit for the period | 25,4 | 138 190 | 110 228 | 254 312 |
| (Profit)/loss on sale of property, plant and equipment | | (662) | 10 | (16) |
| Pre-opening expenses | | 2 420 | – | – |
| CGT relating to ALI refinancing | | – | 5 466 | 5 466 |
| Headline earnings | 21,0 | 139 948 | 115 704 | 259 762 |
| Headline earnings per share (cents) | 21,0 | 68,6 | 56,7 | 127,4 |
| EBITDA RECONCILIATION | | | | |
| Operating profit | 28,4 | 299 056 | 232 819 | 506 500 |
| Property and equipment rental | | 6 044 | 6 881 | 15 346 |
| Depreciation and amortisation | | 52 997 | 51 731 | 101 812 |
| EBITDA | 22,9 | 358 097 | 291 431 | 623 658 |
| EBITDA margin (%) | | 42,7 | 40,9 | 41,1 |

GROUP BALANCE SHEET

| | Unaudited at 30 June 2007 R'000 | Restated at 30 June 2006 R'000 | Audited at 31 December 2006 R'000 |
|--|--|---|--|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1 464 220 | 1 013 386 | 1 278 485 |
| Leasehold improvements | 102 037 | 96 971 | 101 710 |
| Intangible assets | 471 397 | 376 439 | 472 717 |
| Deferred tax assets | 38 760 | 51 843 | 62 627 |
| Investment in joint ventures | 37 528 | – | 36 280 |
| Financial assets | 99 962 | 89 873 | 94 675 |
| Share incentive scheme | 25 982 | 29 009 | 25 484 |
| | 2 239 886 | 1 657 521 | 2 071 978 |
| Current assets | | | |
| Inventories | 11 186 | 5 435 | 7 584 |
| Receivables and prepayments | 61 780 | 23 491 | 20 223 |
| Cash and cash equivalents | 470 421 | 124 672 | 105 735 |
| Amounts owing by related parties | 3 910 | 26 267 | 4 865 |
| | 547 297 | 179 865 | 138 407 |
| Total assets | 2 787 183 | 1 837 386 | 2 210 385 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Ordinary share capital | 4 412 | 4 412 | 4 412 |
| Share premium | 499 280 | 499 280 | 499 280 |
| Treasury shares | (75 340) | (75 340) | (75 340) |
| | 428 352 | 428 352 | 428 352 |
| Share-based payment reserve | 31 781 | 20 964 | 26 210 |
| Other reserves | 39 393 | 24 140 | 13 795 |
| Retained earnings | 707 840 | 575 808 | 719 892 |
| | 1 207 366 | 1 049 264 | 1 188 249 |
| Minority interest | 234 745 | 160 335 | 196 895 |
| Total equity | 1 442 111 | 1 209 599 | 1 385 144 |
| Non-current liabilities | | | |
| Interest-bearing borrowings | 564 859 | 363 500 | 394 330 |
| Deferred tax liabilities | 52 993 | 49 001 | 56 453 |
| | 617 852 | 412 501 | 450 783 |
| Current liabilities | | | |
| Trade and other payables | 553 788 | 81 321 | 144 623 |
| Provisions | 41 234 | 25 151 | 46 653 |
| Bank overdraft | 2 068 | 2 630 | 43 013 |
| Tax liabilities | 35 622 | 81 184 | 58 779 |
| Current portion of interest-bearing borrowings | 91 499 | 25 000 | 76 967 |
| Amounts owing to related parties | 3 009 | – | 4 423 |
| | 727 220 | 215 286 | 374 458 |
| Total equity and liabilities | 2 787 183 | 1 837 386 | 2 210 385 |

GROUP CASH FLOW STATEMENT

| | Unaudited for the six months ended 30 June 2007 R'000 | Unaudited for the six months ended 30 June 2006 R'000 | Audited for the 12 months ended 31 December 2006 R'000 |
|---|--|--|---|
| Cash flow from operating activities | | | |
| Profit before taxation | 283 314 | 225 801 | 482 166 |
| Non-cash items and other adjustments | 99 908 | 60 087 | 137 263 |
| | 383 222 | 285 888 | 619 429 |
| (Increase)/decrease in working capital | (78 655) | (3 601) | 49 438 |
| Cash flow from operating activities | 304 567 | 282 287 | 668 867 |
| Interest paid | (24 269) | (14 122) | (36 960) |
| Interest received | 8 527 | 6 435 | 11 957 |
| Taxation paid | (106 468) | (133 037) | (227 584) |
| Dividend paid | – | (104 020) | (104 020) |
| Net cash generated in operating activities | 182 357 | 37 543 | 312 260 |
| Cash flow from investing activities | | | |
| Additions to property, plant and equipment | (239 019) | (57 893) | (351 456) |
| Additions to leasehold improvements | (637) | (110) | (6 530) |
| Proceeds from disposal of property, plant and equipment | 1 917 | 525 | 4 178 |
| Investment in available-for-sale financial instruments | (5 287) | (89 872) | (94 674) |
| Investment in intangibles | – | – | (53) |
| Loans issued to joint ventures | (1 248) | – | (36 280) |
| Loans repaid by associate | – | – | 691 |
| Net (advances to)/repayments by related parties | (459) | 82 179 | 94 601 |
| Net cash effect of acquisition of Inkonka | – | (174 261) | (175 623) |
| Net cash effect of acquisition of Tanglepark | – | (111 818) | (117 006) |
| Net cash effect of acquisition of Silverstar Casino | – | – | (78 278) |
| Net cash effect of ALI refinancing | – | 43 300 | 35 550 |
| Net cash effect of acquisition of West Coast Leisure | – | (7 776) | (7 776) |
| Net cash utilised in investing activities | (244 733) | (315 726) | (732 656) |
| Cash flow from financing activities | | | |
| (Increase)/decrease in share incentive scheme loan | (498) | 3 830 | 7 355 |
| Dividend and loan repayments to outside shareholders | (3 556) | (40 318) | (44 207) |
| Subscription of shares to be issued in flip-up transaction | 287 000 | – | – |
| Increase in interest-bearing borrowings | 185 061 | 327 351 | 410 608 |
| Net cash generated in financing activities | 468 007 | 290 863 | 373 756 |
| Net increase/(decrease) in cash and cash equivalents | 405 631 | 12 680 | (46 640) |
| Cash and cash equivalents at beginning of period | 62 722 | 109 362 | 109 362 |
| Cash and cash equivalents at end of period | 468 353 | 122 042 | 62 722 |

GROUP STATEMENT OF CHANGES IN EQUITY

| | Share capital net of treasury shares | Reserves | Retained earnings | Minority interest | Total equity |
|--|--|---------------|----------------------|----------------------|------------------|
| Balance at 1 January 2006 | 428 352 | 18 996 | 595 373 | 96 429 | 1 139 150 |
| Recognition of share-based payments | – | 4 742 | – | – | 4 742 |
| Revaluation of land as per IFRS 3 | – | 27 519 | – | – | 27 519 |
| Attributable profit for the period | – | – | 110 228 | 28 195 | 138 423 |
| Dividend paid | – | – | (104 020) | – | (104 020) |
| Movement in loans from minorities | – | – | – | (1 702) | (1 702) |
| Adjustment arising on ALI refinancing | – | – | (25 773) | 61 323 | 35 550 |
| Transactions with minorities in Mykonos Casinos | – | (6 153) | – | (1 623) | (7 776) |
| Dividends paid to minorities by subsidiaries | – | – | – | (38 616) | (38 616) |
| Minorities created on Goldfields acquisition | – | – | – | 3 213 | 3 213 |
| Minorities created on Garden Route acquisition | – | – | – | 13 116 | 13 116 |
| Balance at 30 June 2006 | 428 352 | 45 104 | 575 808 | 160 335 | 1 209 599 |
| Recognition of share-based payments | – | 5 246 | – | – | 5 246 |
| Negative hedge reserve created during the period | – | (10 345) | – | – | (10 345) |
| Attributable profit for the period | – | – | 144 084 | 40 449 | 184 533 |
| Dividends paid to minorities by subsidiaries | – | – | – | (3 889) | (3 889) |
| Balance at 31 December 2006 | 428 352 | 40 005 | 719 892 | 196 895 | 1 385 144 |
| Recognition of share-based payments | – | 5 571 | – | – | 5 571 |
| Positive hedge reserve created during the period | – | 25 868 | – | – | 25 868 |
| Hedge reserve released during the period | – | (270) | – | – | (270) |
| Attributable profit for the period | – | – | 138 190 | 41 406 | 179 596 |
| Dividend declared | – | – | (150 242) | – | (150 242) |
| Dividends paid to minorities by subsidiaries | – | – | – | (3 556) | (3 556) |
| Balance at 30 June 2007 | 428 352 | 71 174 | 707 840 | 234 745 | 1 442 111 |

TRADING HISTORY OF GOLD REEF SHARES ON THE JSE

The table below sets the high, low and closing price and the aggregate volumes of the Gold Reef shares traded on the JSE for the following periods:

| | High (rand) | Low (rand) | Close (rand) | Volume (shares) |
|-------------------|------------------------|-----------------------|-------------------------|----------------------------|
| Quarterly | | | | |
| 30 September 2005 | 17,00 | 13,63 | 14,51 | 13 195 228 |
| 31 December 2005 | 15,00 | 13,10 | 14,70 | 9 593 704 |
| 31 March 2006 | 17,25 | 14,49 | 15,10 | 11 114 842 |
| 30 June 2006 | 16,99 | 12,50 | 13,58 | 17 789 041 |
| 30 September 2006 | 16,80 | 13,60 | 16,40 | 8 502 318 |
| Monthly | | | | |
| 31 October 2006 | 17,50 | 15,80 | 16,90 | 1 653 519 |
| 30 November 2006 | 19,95 | 16,70 | 18,98 | 3 912 598 |
| 31 December 2006 | 21,50 | 18,00 | 20,60 | 3 206 660 |
| 31 January 2007 | 25,00 | 19,21 | 23,15 | 2 864 455 |
| 28 February 2007 | 24,50 | 22,00 | 23,00 | 2 630 271 |
| 31 March 2007 | 26,75 | 22,00 | 26,45 | 4 233 638 |
| 30 April 2007 | 30,50 | 25,70 | 29,89 | 4 220 825 |
| 31 May 2007 | 32,48 | 29,89 | 31,54 | 7 138 959 |
| 30 June 2007 | 32,70 | 30,15 | 30,98 | 3 540 200 |
| 31 July 2007 | 32,50 | 29,00 | 30,14 | 4 167 894 |
| 31 August 2007 | 32,00 | 26,80 | 31,40 | 7 621 791 |
| Daily | | | | |
| 3 September 2007 | 31,75 | 31,40 | 31,75 | 107 518 |
| 4 September 2007 | 32,30 | 32,00 | 32,23 | 2 270 776 |
| 5 September 2007 | 32,25 | 32,20 | 32,23 | 487 866 |
| 6 September 2007 | 32,27 | 32,20 | 32,20 | 858 910 |
| 7 September 2007 | 32,15 | 31,82 | 32,00 | 719 155 |
| 10 September 2007 | 32,35 | 32,00 | 32,35 | 160 130 |
| 11 September 2007 | 32,30 | 32,15 | 32,30 | 297 779 |
| 12 September 2007 | 32,30 | 32,25 | 32,30 | 372 994 |
| 13 September 2007 | 32,45 | 32,30 | 32,40 | 931 898 |
| 14 September 2007 | 32,40 | 32,30 | 32,40 | 127 287 |
| 17 September 2007 | 32,35 | 32,25 | 32,35 | 74 839 |
| 18 September 2007 | 32,35 | 32,30 | 32,35 | 123 701 |
| 19 September 2007 | 32,40 | 32,35 | 32,35 | 446 900 |
| 20 September 2007 | 32,40 | 32,31 | 32,40 | 849 123 |
| 21 September 2007 | 32,40 | 32,30 | 32,30 | 145 048 |
| 25 September 2007 | 32,31 | 32,30 | 32,30 | 2 900 000 |
| 26 September 2007 | 33,00 | 32,30 | 33,00 | 2 839 718 |
| 27 September 2007 | 33,00 | 32,45 | 32,50 | 107 815 |
| 28 September 2007 | 32,99 | 32,45 | 32,99 | 149 396 |
| 1 October 2007 | 32,89 | 32,52 | 32,60 | 52 536 |
| 2 October 2007 | 32,64 | 32,60 | 32,60 | 150 230 |

THE GENERAL OFFER

1. DEFINITIONS AND INTERPRETATION

Except as set out below and unless otherwise indicated or required by the context, the definitions and interpretation set out on pages 12 to 16 of the document apply throughout this annexure and the words set out in the first column shall have the meanings stated opposite them in the second column and related expressions shall bear corresponding meanings:

| | |
|-----------------------------------|---|
| “certificated offerees” | offerees who hold certificated shares; |
| “dematerialised offerees” | offerees who hold dematerialised shares; |
| “final closing date” | 12:00 on the 14th (fourteenth) business day from and including the initial closing date provided that BidCo may extend the same from time to time by notice released on SENS on or prior to the most recent final closing date, in which event the final closing date will be such later date. Unless Gold Reef and BidCo agree otherwise such date shall be before Thursday, 31 January 2008; |
| “initial closing date” | 12:00 on the business day stipulated for this purpose by BidCo, which business day will be notified to shareholders by notice released on SENS and published in the press provided that the initial closing date shall not be less than 28 (twenty-eight) business days from the opening date; |
| “last day to trade” | last day to trade shares in order to be recorded in the register on the offer consideration record date, which is expected to be 5 (five) business days before the offer consideration record date; |
| “general offer” | the offer by BidCo to the offerees which is referred to in paragraph 3 of this Annexure IV set out on pages 72 and 73; |
| “offer consideration record date” | the latest time and date for shareholders to be recorded in the register in order to receive the offer consideration, being 17:00 on (a) if the final closing date is a Friday, the final closing date; or (b) if the final closing date is not a Friday, the first Friday following the final closing date; or (c) if that Friday is not a business day, the immediately preceding business day; |
| “offer payment date” | the date on which the offer consideration will be posted or the offer consideration made available electronically to offerees who have accepted the general offer, which date will be not more than 5 (five) days after the final closing date; |
| “offer consideration” | the consideration to be received by each offeree for every offer share held by him on the offer consideration record date, being R34,00 per offer share which will increase by one South African cent per share from Tuesday, 1 January 2008 until the offer payment date; |
| “offer shares” | all the issued and to be issued shares, other than the shares held by Aldiss, of Gold Reef held by the offerees; |
| “offerees” | all shareholders, other than Aldiss, recorded in the register as such at any time between the opening date and the final closing date, being shareholders to whom the general offer is made; |
| “opening date” | 09:00 on the first business day following the day on which it is announced in the press that BidCo has elected to make the general offer; and |
| “US business day” | a business day in the United States of America as defined in Rule 14d-1 of the General Rules and Regulations promulgated under the Securities Exchange Act of 1934. |

2. IMPORTANT DATES AND TIMES

Should the general offer become effective, all dates and times pertinent thereto will be released on SENS and published in the press.

3. THE GENERAL OFFER

If the scheme does not become operative for any reason, other than the failure to obtain any necessary regulatory approvals (excluding a failure of the Court to sanction the scheme), BidCo may elect to make the general offer (which will be subject to the fulfilment of the conditions precedent set out in paragraph 3.2 below) to purchase the offer shares for the offer consideration on the terms and conditions set out in this Annexure IV. In such event, an announcement will be released on SENS and published in the press advising offerees that the general offer has been made and is open for acceptance between the opening date and the initial closing date.

3.1 Offer period

- 3.1.1 After the announcement thereof on SENS and in the press, the general offer will remain open until the initial closing date. If, on the initial closing date, the conditions precedent set out in paragraph 3.2 below have not been fulfilled, the general offer shall lapse and all advance acceptances of the general offer will be null and void. Document(s) of title already surrendered will be returned to the relevant offerees, by registered post, at the risk of the offerees concerned.
- 3.1.2 If on the initial closing date the general offer has become or is declared unconditional as to acceptances, the general offer shall remain open until the final closing date.

3.2 Conditions precedent

- 3.2.1 The general offer will be subject to the fulfilment of the following conditions precedent by Thursday, 31 January 2008, provided that Gold Reef and BidCo shall be entitled to extend this date by agreement at any time before Thursday, 31 January 2008:
 - 3.2.1.1 the competition authorities approving the offer in terms of the Competition Act, either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo;
 - 3.2.1.2 the gambling boards approving the offer and the reorganisation in terms of the Gambling Act, either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo;
 - 3.2.1.3 the Exchange Control Division of the South African Reserve Bank approving the offer in terms of the exchange control regulations either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo;
 - 3.2.1.4 all other regulatory approvals to the extent necessary in respect of the offer being obtained, including but not limited to approvals from the SRP; and
 - 3.2.1.5 BidCo receiving acceptances of the general offer in respect of no less than 90% of the shares other than shares held on the opening date by BidCo or its nominee.
- 3.2.2 If BidCo does not obtain acceptances as set out in paragraph 3.2.1.5 by the initial closing date, Gold Reef will advise its shareholders that the general offer has lapsed.
- 3.2.3 If Gold Reef and BidCo extend the date for fulfilment of conditions precedent as contemplated above, Gold Reef will advise Gold Reef shareholders of this fact by way of an announcement released on SENS and published in the press.
- 3.2.4 If the conditions precedent to the general offer referred to in this paragraph 3.2 are not fulfilled, the general offer will lapse and all advance acceptances of the general offer will be null and void. Document(s) of title already surrendered will be returned to the relevant offerees, by registered post, at the risk of the offerees concerned.

3.3 Offer consideration

- 3.3.1 If the general offer becomes unconditional, offerees will be entitled to receive the offer consideration.

3.3.2 The offer consideration will not be increased by BidCo, although it reserves its right to do so in the event of a competing offer.

3.3.3 Gold Reef will not be paying a further ordinary dividend prior to the final closing date.

3.4 **Compulsory acquisition in terms of section 440K of the Companies Act**

3.4.1 If the general offer becomes unconditional and the requisite number of acceptances is obtained to make the compulsory acquisition, BidCo shall invoke the provisions of the compulsory acquisition to acquire all the offer shares, in respect of which the general offer was not accepted. In the event of BidCo acquiring all of the offer shares, application will be made to the JSE for the immediate suspension and subsequent termination of the listing of the shares of Gold Reef.

3.4.2 Should BidCo make the compulsory acquisition, a circular will be sent to those offerees who have not accepted the general offer, incorporating the notice envisaged by section 440K of the Companies Act and a further form of acceptance, surrender and transfer.

4. ACCEPTANCE OF THE GENERAL OFFER

4.1 Offerees who do not wish to accept the general offer need not take further action and will be deemed to have rejected the general offer.

4.2 Certificated offerees may accept the general offer in respect of all or part of their offer shares by completing the attached form of acceptance, surrender and transfer (white) in accordance with the instructions contained therein and returning it to the transfer secretaries together with the document(s) of title in respect of their offer shares.

4.3 Dematerialised offerees who elect to accept the general offer must notify their duly appointed CSDP or broker of their acceptance of the general offer in the time and manner stipulated in the custody agreement governing their relationship with their CSDP or broker. Dematerialised offerees must not complete the attached form of acceptance, surrender and transfer (white).

4.4 Offerees should note that, notwithstanding that the general offer may be accepted in respect of all or only a part of a shareholder's holding of shares, it is BidCo's intention to acquire all of the shares in issue and to terminate the listing of the shares on the JSE.

4.5 All acceptances of the general offer received by the transfer secretaries, CSDPs or brokers, as the case may be, and treated as valid by them, shall be irrevocable.

4.6 In respect of certificated shares, BidCo reserves the right in its sole and absolute discretion to:

4.6.1 treat as invalid forms of acceptance, surrender and transfer (white) not accompanied by valid document(s) of title;

4.6.2 treat as invalid forms of acceptance, surrender and transfer (white) not properly completed;

4.6.3 treat as invalid forms of acceptance, surrender and transfer (white) in accordance with paragraph 4.8 below; or

4.6.4 require proof of the authority of the person signing the form of acceptance, surrender and transfer (white) where such proof has not yet been lodged with, or recorded by, the transfer secretaries.

4.7 Offerees should note that upon acceptance of the general offer, notwithstanding that all conditions precedent may not have been fulfilled at that date, offerees should no longer trade in their offer shares in respect of which the general offer has been accepted.

4.8 Any form of acceptance, surrender and transfer which appears to have been sent from Australia, Canada, Japan or any other jurisdiction in which the general offer may not lawfully be made or a person located in any such jurisdiction, will be deemed to be invalid and given no effect. Offer shares held by offerees in Australia, Canada, Japan or any other jurisdiction in which the general offer may not lawfully be made may only be acquired by BidCo pursuant to section 440K(1)(a) of the Companies Act.

5. SETTLEMENT OF THE OFFER CONSIDERATION

- 5.1 If the general offer becomes unconditional, the offerees will be entitled to receive the offer consideration. BidCo will, through the transfer secretaries, administer and effect payment of the offer consideration to the offerees. Gold Reef will accept no responsibility for payment of the offer consideration.
- 5.2 Provided that certificated offerees have surrendered their document(s) of title to the transfer secretaries on or prior to the final closing date, the offer consideration will, on the offer payment date, be posted to them at their addressees recorded in the register, by registered post, at the risk of such offerees unless written instructions to the contrary are furnished in the attached form of acceptance, surrender and transfer (white).
- 5.3 Should certificated offerees so elect by providing details of their bank account on the attached form of acceptance, surrender and transfer (white), and provided that their document(s) of title have been surrendered on or prior to the final closing date, settlement of the offer consideration will be effected by electronic transfer directly into the offeree's relevant account. The facility of having the offer consideration paid into such offeree's bank account will not be available to those offerees who surrender their document(s) of title after the final closing date.
- 5.4 If certificated offerees who have accepted the general offer do not surrender their document(s) of title to the transfer secretaries on or before the final closing date, the offer consideration will be posted to such certificated offerees, by registered post, at the risk of such certificated offerees, within 5 (five) business days of receipt of the document(s) of title of such certificated offerees.
- 5.5 If the offer consideration is not sent to the certificated offerees entitled thereto and not transferred directly into the certificated offerees' relevant accounts due to the fact that relevant document(s) of title have not been surrendered or, if having been sent, are returned, such offer consideration will be held by the transfer secretaries on behalf of BidCo until claimed, provided that should such offer consideration remain unclaimed by the relevant certificated offeree for a period of 3 (three) years after the final closing date, the offeree shall forfeit its right to such offer consideration and BidCo will be entitled to donate such amounts to a charitable organisation of its choice. No interest will accrue or be paid on the amount payable to certificated offerees arising from the offer consideration being so held.
- 5.6 Dematerialised offerees will have their accounts at their CSDP or broker credited in respect of the offer consideration in accordance with their custody agreement with their CSDP or broker.
- 5.7 Except for the offer consideration for the non-voting shares held by the non-voting shareholders which will be utilised to subscribe for new shares in Holdco, the offer consideration will be paid in full in accordance with the terms of the general offer without regard to any lien, right of set-off, counterclaim or other analogous right to which BidCo may be entitled.

6. BASIS OF ACQUISITION OF GOLD REEF SHARES

Ownership in the shares will be acquired by BidCo free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights attaching thereto.

7. SURRENDER OF DOCUMENT(S) OF TITLE

- 7.1 Certificated offerees must surrender their document(s) of title in order to claim the offer consideration.
- 7.2 Certificated offerees must use the attached form of acceptance, surrender and transfer (white) to surrender their document(s) of title and return same as soon as possible to the transfer secretaries together with their document(s) of title so as to be received by not later than the final closing date.
- 7.3 No receipts will be issued for document(s) of title surrendered unless specifically requested. Persons so requesting receipts are requested to prepare the receipts required.
- 7.4 Document(s) of title surrendered by certificated offerees in anticipation of the general offer being made will be held in escrow by the transfer secretaries pending the making of the general offer. Should the conditions precedent to the general offer not be fulfilled, the transfer secretaries will, within 5 (five) business days of the date upon which it becomes known that the general offer will either not be made or not become operative, return the document(s) of title to the certificated offerees concerned, by registered post, at the risk of such certificated offerees.
- 7.5 The attention of certificated offerees is drawn to the fact that if the document(s) of title in respect of certificated shares are surrendered in advance, they will not be in a position to dematerialise and to deal in their shares between the date of surrender and the initial closing date or, if applicable, the final closing date.
- 7.6 Certificated shareholders are advised that no dematerialisation of shares may take place after the last day to trade to participate in the general offer.
- 7.7 If document(s) of title have been lost or destroyed and the relevant certificated offeree produces evidence to this effect to Gold Reef's and BidCo's satisfaction, Gold Reef and BidCo may dispense with the surrender of document(s) of title requirements against provision of an acceptable indemnity the cost of which indemnity will be borne by the certificated offeree concerned or may in their discretion waive such indemnity.
- 7.8 Dematerialised offerees do not have to surrender any document(s) of title.

8. CASH CONFIRMATION

In terms of Rule 2.3.2(b) and Rule 21.7 of the Code, the SRP has been provided with the necessary cash confirmation letters.

9. OPINIONS AND RECOMMENDATIONS

- 9.1 The board ran a comprehensive formal process of procuring an offer for Gold Reef that it believes allows shareholders to realise significant value for their investment. Furthermore it has obtained independent advice on the offer. Messrs S B Joffe, J S Friedman, C Neuberger, B J Biyela, R T Moloko, P C September and R J Khoza recused themselves from all deliberations and decisions by the board regarding the offer.
- 9.2 The board appointed the independent advisor to advise it whether the offer is fair and reasonable for Gold Reef shareholders. The independent advisor has considered the terms and conditions of the offer and is of the opinion that the offer consideration is fair and reasonable to Gold Reef shareholders. The full text of the letter from the independent advisors is set out in Annexure I to this document.

- 9.3 The board, other than those named in paragraph 9.1, has evaluated the terms and conditions of the offer and the opinion of the independent advisor, and is of the unanimous opinion that the offer is fair and reasonable to Gold Reef shareholders. Accordingly the board recommends that Gold Reef shareholders accept the general offer (if made).
- 9.4 The directors of Gold Reef who own shares have indicated their intention to accept the general offer (if made) in respect of all of their shares.

10. AMENDMENT OR VARIATION OF THE GENERAL OFFER

No amendment or variation of the general offer shall be valid unless it is agreed to by Gold Reef and BidCo in writing and, to the extent required, approved by the SRP, provided that Gold Reef and BidCo shall not agree to any amendment or variation that has the effect of reducing the offer consideration.

11. APPLICABLE LAW

The general offer is made in compliance with the requirements of the Code, and is governed by and subject to the provisions of the laws of South Africa and each offeree will be deemed, by his acceptance, to have consented and submitted to the jurisdiction of the Courts of South Africa in relation to all matters arising out of or in connection with the general offer and acceptance thereof.

12. US TENDER OFFER REQUIREMENTS

- 12.1 In the event that there is an increase or decrease of (a) the percentage of the shares sought by BidCo; (b) the offer consideration; or (c) any soliciting fee, the general offer will be kept open for at least 10 (ten) US business days following the date of such increase or decrease.
- 12.2 In the event that the offer period is extended, a notice (a press release or public announcement) of such extension including the approximate number of shares in respect of which the general offer has been accepted to date, will be issued by 09:00 (ET), on the next US business day after the original final closing date.
- 12.3 Any "covered person" is generally prohibited from directly or indirectly purchasing or arranging to purchase shares except as part of the general offer from the time such general offer is announced until the initial closing date and, if applicable, the final closing date. "Covered persons" include BidCo and its affiliates, the dealer-manager and its affiliates, their advisors (if their compensation is dependent on the completion of the general offer) and any person acting in concert (such as a broker) with any of these persons in connection with any purchase or arrangement to purchase any offer shares.

13. GENERAL OFFER NOT MADE WHERE ILLEGAL

- 13.1 The legality of the general offer to offerees resident in jurisdictions outside of South Africa may be affected by laws of the relevant jurisdiction. Such offerees should inform themselves about any applicable legal requirements, which they are obligated to observe. It is the responsibility of any such offerees wishing to accept the general offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.
- 13.2 In particular, the general offer is not being made, directly or indirectly, in or into any jurisdiction where it is illegal for the general offer to be made or accepted ("the affected jurisdictions") or by the use of mail, or by means or instrumentality of inter-state or foreign commerce of, or any facility of a national securities exchange of any of the affected jurisdictions. In such circumstances, this document is sent for information only.
- 13.3 Offerees wishing to accept the general offer should not use the mail of any of the affected jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the general offer. Envelopes containing forms of acceptance, surrender and transfer

(white) or other documents relating to the general offer should not be postmarked in any of the affected jurisdictions or otherwise dispatched from any of the affected jurisdictions and all acceptors must provide addresses outside the affected jurisdictions for receipt of the offer consideration to which they are entitled under the general offer.

- 13.4 Without limitation to the generality of paragraphs 13.1 to 13.3, the general offer is not being made, directly or indirectly, in or into or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of inter-state or foreign commerce of, or any facility of a national securities exchange of, any affected jurisdiction and the general offer cannot be accepted by any such use, means, instrumentality or facility or from within any affected jurisdiction. Accordingly, copies of this document, the form of acceptance, surrender and transfer (white) and any related documents are not being and must not be mailed or otherwise distributed or sent in or into any affected jurisdiction, including to shareholders with registered addresses in any affected jurisdiction or to persons whom BidCo and/or Gold Reef know to be custodians, nominees or trustees holding shares for persons in any affected jurisdiction.
- 13.5 Persons receiving such documents (including, without limitation, custodians, nominees and trustees) shall not distribute or send them in, into or from any affected jurisdiction or use such mails or such other means, instrumentality or facility in connection with the general offer, and in so doing will render invalid any related purported acceptance of the general offer. Offerees wishing to accept the general offer shall not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to acceptance of the general offer. Envelopes containing forms of acceptance, surrender and transfer (white) should not be postmarked in any affected jurisdiction or otherwise dispatched from any affected jurisdiction and all accepting offerees must provide addresses in South Africa for the return of forms of acceptance, surrender and transfer (white), ordinary share certificate(s) and/or other documents of title.
- 13.6 An offeree will be deemed not to have accepted the general offer if:
- 13.6.1 the offeree is unable to make the representation and warranty set out in paragraph 13.9;
 - 13.6.2 the offeree completes the address box in the form of acceptance, surrender and transfer (white), with an address in any affected jurisdiction or has a registered address in any affected jurisdiction and in either case the offeree does not insert in either the additional information required for emigrants from the common monetary area or the additional information required from all other non-residents of the common monetary area, the name and address of a person or agent in South Africa to whom he wishes the offer consideration to which he is entitled under the general offer to be sent, subject to the provisions of this paragraph and applicable laws; or
 - 13.6.3 the form of acceptance, surrender and transfer (white) received from the offeree is in an envelope postmarked in, or which otherwise appears to BidCo or its agents to have been sent from, any affected jurisdiction. BidCo reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representation and warranty referred to in paragraph 13.9 given by any offeree is correct and, if such investigation is undertaken and as a result BidCo determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.
- 13.7 If, in making the general offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the forms of acceptance, surrender and transfer (white) or any related offering documents in, into or from any affected jurisdiction or uses the mails of, or any means of instrumentality (including, without limitation, telephonically or electronically) inter-state or foreign commerce, or any facility of a national securities exchange of, any affected jurisdiction in connection with such forwarding, such persons should:
- 13.7.1 inform the recipient of such fact;
 - 13.7.2 explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - 13.7.3 draw the attention of the recipient to this paragraph 13.7.

- 13.8 The provisions of this paragraph 13 and any other terms of the general offer relating to non-resident shareholders may be waived, varied or modified as regards specific offerees or on a general basis by BidCo in its absolute discretion but only if BidCo is satisfied that such waiver, variance or modification will not constitute or give rise to breach of applicable securities or other law.
- 13.9 Offerees who accept the general offer if they are a dematerialised offeree or, if they are a certificated offeree, and complete the form of acceptance, surrender and transfer (white), are deemed to represent and warrant to BidCo that they (i) are legally entitled to accept the general offer in and from jurisdictions in which they are resident; and (ii) have not received or sent copies or originals of this document, the form of acceptance, surrender and transfer (white) or any related documents in, into or from any affected jurisdiction and have not otherwise utilised in connection with the general offer, the mails, or any means or instrumentality (including, without limitation, telephonically or electronically) of inter-state or foreign commerce of, or of any facility of a national securities exchange of, any affected jurisdiction, the form of acceptance, surrender and transfer (white) has not been mailed or otherwise sent in, into or from any affected jurisdiction and such offeree is accepting the general offer from outside any affected jurisdiction.
- 13.10 The provisions of this paragraph 13 supersede any terms of the general offer inconsistent herewith.
- 13.11 If you are a non-resident offeree and you are in doubt about your position, you should consult your independent professional advisor in the relevant jurisdiction.

14. EXCHANGE CONTROL REGULATIONS

A summary of the exchange control regulations that will also be applicable to the general offer is set out in paragraph 10 of the scheme on page 33 of this document. Offerees who are in any doubt as to the action they should take should consult their professional advisors as soon as possible.

15. TAX CONSIDERATIONS

A summary of the tax considerations that will also be applicable to the general offer is set out in paragraph 11 of the scheme on pages 33 and 34 of this document. Offerees should seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position and in particular to confirm how the summary applies in their specific personal circumstances.

16. SUMMARY OF FINANCIAL EFFECTS

The summary of the financial effects of the scheme, as set out in paragraph 2 of the valuation statement on page 36 of this document, applies *mutatis mutandis* to offerees accepting the general offer.

17. MANDATES

Each mandate or instruction from offerees in force on the opening date will be deemed to be a mandate to BidCo in relation to the offer consideration to be received by that offeree.

18. APPLICABLE PROVISIONS

The provisions of paragraphs:

- 18.1 1, 2.1, 4, and 5 of the explanatory statement;
- 18.2 2 to 4 and 6 of the valuation statement;
- 18.3 All of the statement of directors' interests; and
- 18.4 2 to 14 of the additional information section;
- apply *mutatis mutandis* to the general offer.

DETAILS OF HOLDCO AND HOLDINGS BY THE BEE SHAREHOLDERS IN GOLD REEF

The scheme will be effected by BidCo which itself is a wholly-owned subsidiary of Holdco. The ultimate shareholders of Holdco will be members of the Ethos consortium, the BEE shareholders and certain key management.

- Ethos consortium*: 57.5% of Holdco equity;
- BEE shareholders: 30% of Holdco equity; and
- Key management: 12.5% of Holdco equity.

As at the operative date, 30% of Holdco will be held by the following BEE shareholders of Gold Reef:

| Name | Present shareholding in Gold Reef |
|---|---|
| Akani Msunduzi Management (Proprietary) Limited** | 389 726 |
| Black Management Forum Investment Company Limited | 7 587 517 |
| Clidet 754 (Proprietary) Limited | 6 536 881 |
| Clidet 755 (Proprietary) Limited | 2 619 951 |
| Dual Intake Investments 48 (Proprietary) Limited | 95 751 |
| Firm Urge Investments (Proprietary) Limited | 278 376 |
| Grey Jade Trade and Invest 77 (Proprietary) Limited | 111 350 |
| Grey Jade Trade and Invest 86 (Proprietary) Limited | 55 675 |
| G7 Investment Holdings (Proprietary) Limited | 292 412 |
| Heritage Africa Communications in Events Management Promotions Marketing cc | 153 201 |
| Isimfonyo Investments (Proprietary) Limited | 278 376 |
| Izulu Gaming (Proprietary) Limited | 637 203 |
| Lebohang Foreisitata Trust | 75 113 |
| Loophole Trading and Investment 38 (Proprietary) Limited | 501 076 |
| Mary Jantjies Family Trust | 320 983 |
| Newshelf 698 (Proprietary) Limited | 6 327 740 |
| Newshelf 800 (Proprietary) Limited | 51 273 |
| Partmtro Investments No 95 (Proprietary) Limited | 1 942 796 |
| Pedestal Investments (Proprietary) Limited | 278 376 |
| Philisizwe Investments (Proprietary) Limited | 501 076 |
| Phinda Investments (Proprietary) Limited | 445 401 |
| Platoon Trade and Invest 15 (Proprietary) Limited | 9 639 982 |
| Prime Portfolio Investments "A" (Proprietary) Limited | 3 533 964 |
| Repli Investments No 20 (Proprietary) Limited | 2 500 000 |
| Reygrande Investment Holdings (Proprietary) Limited | 2 250 764 |
| Saddle Path Props 20 (Proprietary) Limited | 15 217 955 |
| Saffron Balm Trading 29 (Proprietary) Limited | 2 721 028 |
| Satara Trading (Proprietary) Limited | 700 000 |
| Selang-Mabele Investments Company (Proprietary) Limited | 383 004 |
| Siyanda Co-operative Limited | 334 051 |
| Siyangena Investment Holdings (Proprietary) Limited | 334 051 |
| Siyimbumba Investment (Proprietary) Limited | 111 350 |
| The Rock Investment (Proprietary) Limited | 111 350 |
| Trema Investments (Proprietary) Limited | 153 201 |
| Umnotho Wamangwane (Proprietary) Limited | 445 401 |
| Xau Investments (Proprietary) Limited | 173 739 |
| Y Investments Limited | 946 689 |
| Young Woman's Christian Association – Dube Charitable Trust | 169 630 |

* Includes Ethos and Goldman Sachs

** Akani Msunduzi Management (Proprietary) Limited is currently warehousing this shareholding pending resolution of a dispute over the shareholding. This dispute does not have any impact on the Gold Reef shareholders.

SECTION 440K OF THE COMPANIES ACT

“440K. COMPULSORY ACQUISITION OF SECURITIES OF MINORITY IN AFFECTED TRANSACTION

1. (a) If an offer for the acquisition of securities under an affected transaction involving the transfer of securities or any class of securities of a company to an offeror, has within four months after the date of the making of such offer been accepted by the holders of not less than nine-tenths of the securities or any class of securities whose transfer is involved (other than securities already held at the date of the issue of the offer by, or by a nominee for, the offeror or its subsidiary), the offeror may at any time within two months after the date of such acceptance give notice in the prescribed manner to any holder of such securities who has not accepted the said offer, that he or it desires to acquire his or its securities, and where such notice is given, the offeror shall be entitled and bound to acquire those securities on the terms on which under the affected transaction the securities of the holders who have accepted the offer, were or are to be transferred to the offeror, unless on an application made by such holder within six weeks from the date on which the notice was given, the Court:
 - (i) orders that the offeror shall not be so entitled and bound; or
 - (ii) imposes conditions of acquisition different from those of the offer.
 - (b) If the said offer has not been accepted to the extent necessary for entitling the offeror to give notice under subsection (1) (a), the Court may, on application by the offeror, issue an order authorising him to give notice under that subsection if the Court is satisfied that:
 - (i) the offeror has after reasonable enquiry been unable to trace one or more of the persons holding securities to which the offer relates;
 - (ii) the securities whose transfer is involved, by virtue of acceptances of the offer, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1) (a); and
 - (iii) the consideration offered is fair and reasonable,but the Court shall not issue an order under this paragraph unless it considers that it is just and equitable to do so having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
2. Where a notice has been given by the offeror under subsection (1) and the Court, on an application made by a holder of the securities who has not accepted the offer, has not ordered as contemplated in subsection (1) (a), the offeror shall, on the expiration of six weeks from the date on which the notice was given, or, if an application to the Court by such holder is then pending, after the application has been disposed of, transmit a copy of the notice to the offeree company, together with an instrument of transfer executed on behalf of such holder by any person appointed by the offeror, and pay or transfer to the offeree company the amount or other consideration representing the price payable by the offeror for the securities which by virtue of this section he or it is entitled to acquire, and, subject to the payment of the stamp duties ordinarily payable, the offeree company shall thereupon register the offeror as the holder of those securities: Provided that an instrument of transfer shall not be required for any security for which a share warrant is for the time being outstanding.
 3. Where, in pursuance of an affected transaction referred to in subsection (1), securities of an offeree company were or are to be transferred to a person and those securities, together with any other securities of the said offeree company held by, or by a nominee for, the offeror or its subsidiary at the date of the acceptance of the offer in question, comprise or include nine-tenths of the securities in the offeree company or of any class of those securities, then:
 - (a) the offeror shall within a month from the date of such acceptance (unless he or it has already complied with this requirement under subsection (1)) give notice of that fact in the prescribed manner to the holders of the remaining securities or of the remaining securities of that class, as the case may be, who have not accepted the offer under the affected transaction in question; and

- (b) any such holder may within 3 (three) months from the giving of the notice to him require the offeror to acquire the securities in question,

and where a holder gives notice under paragraph (b) in relation to any securities, the offeror shall be entitled and bound to acquire those securities on the conditions on which under the affected transaction the securities of the holders who have accepted the offer were or are to be transferred to him or it, or on such other conditions as may be agreed upon or as the Court on the application of either the offeror or the holder may think fit to order.

4. Any sum, and any dividend or other sum accruing from any other consideration, received by the offeree company under this section shall be paid into a separate bank account with a banking institution registered under the Banks Act, 1965 (Act 23 of 1965), and any such sums, dividend or any other consideration so received shall be held in trust by the offeree company for the person entitled to the securities in respect of which the said sums, dividend or other consideration was received.
5. In this section any reference to a 'holder of securities who has not accepted the offer' includes any holder who has failed or refused to transfer his securities to the offeror in accordance with the affected transaction."

ORDER OF COURT

**IN THE HIGH COURT OF SOUTH AFRICA
(WITWATERSRAND LOCAL DIVISION)**

Case number: 20663/07

In the *ex parte* application of:

GOLD REEF RESORTS LIMITED
(Registration number 1989/002108/06)

Applicant

ORDER

Upon the motion of Counsel for the Applicant and having read the notice of motion and the other documents filed on record:

IT IS ORDERED THAT:

1. A meeting (the "**Scheme Meeting**") in terms of section 311(1) of the Companies Act (61 of 1973, as amended) (the "**Companies Act**"), of the shareholders of the Applicant, other than Aldiss Investments (Proprietary) Limited (a wholly-owned subsidiary of the Applicant and the holder of 14 427 602 treasury shares in the Applicant) ("**Aldiss**"), registered as such in the Applicant's share register and of the registered dematerialised shareholders of the Applicant reflected as such in the sub-registers of the Applicant maintained by the Central Securities Depository Participants ("**CSDP**"), both at 17:00 on Thursday, 25 October 2007, or if the Scheme Meeting is adjourned, at 17:00 on the business day that is 2 (two) business days before the date of such adjourned meeting (the "**Scheme Members**"), be convened under the chairmanship of the Chairperson referred to in paragraph 2 of this Order of Court (the "**Order**"), to be held at 09:00 on Monday, 29 October 2007 (or any adjourned time or date as determined by the Chairperson of the Scheme Meeting) (the "**Adjourned Meeting**"), at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa for the purpose of considering and, if deemed fit, approving with or without modification, the scheme of arrangement proposed by Fluxrab Investments No. 159 (Proprietary) Limited (the "**Offeror**") between the Applicant and the shareholders of the Applicant, other than Aldiss, registered as such on the record date for the Scheme and who are therefore entitled to receive consideration in respect of their shares in the Applicant (the "**Scheme Participants**"), substantially in the form of the scheme attached to the application in respect of which this Order is given (the "**Scheme**"), provided that the Scheme Meeting shall not be entitled to agree to any modification of the Scheme which will have the effect of diminishing the rights to accrue in terms thereof to Scheme Participants;
2. Advocate Ahmed Rafik Bhana or, failing him, Mziwandile Ezra Clavis Davids or, failing both of them, any other independent person nominated for that purpose by Edward Nathan Sonnenbergs Incorporated and approved by this Court, be and is hereby appointed as chairperson of the Scheme Meeting (the "**Chairperson**");
3. The Chairperson is authorised to:
 - 3.1 procure the publication of the notice of Scheme Meeting;
 - 3.2 procure dispatch of the relevant document in connection with the Scheme;
 - 3.3 convene the Scheme Meeting;
 - 3.4 adjourn the Scheme Meeting from time to time:
 - 3.4.1 if the Chairperson considers it necessary or desirable to do so; or
 - 3.4.2 if the Chairperson is directed to do so by the Applicant and the Offeror in writing;
 - 3.5 appoint one or more scrutineers for the purpose of the Scheme Meeting or any Adjourned Meeting;

- 3.6 Determine:
- 3.6.1 the validity and acceptability of forms of proxy submitted for use at the Scheme Meeting or any Adjourned Meeting; and
 - 3.6.2 the procedure to be followed at the Scheme Meeting or Adjourned Meeting, including, but not limited to, determining the method of notification of any adjournment, voting at the Adjourned Meeting, delivery of forms of proxy for and counting of votes at, the Adjourned Meeting;
- 3.7 accept the forms of proxy handed to the Chairperson by no later than 10 (ten) minutes before the Scheme Meeting is due to commence or recommence after any adjournment;

4. The Applicant shall cause a notice convening the Scheme Meeting (substantially in the form attached to the papers before this Honourable Court) to be published once in each of the *Government Gazette*, *Business Day*, *Sunday Times*, *Die Beeld* and *Rapport* in South Africa, at least 14 (fourteen) calendar days before the date of the Scheme Meeting. The said notice shall state:

- 4.1 the time, date and venue of the Scheme Meeting;
- 4.2 that the Scheme Meeting has been convened in terms of this Order to consider and, if deemed fit, approve, with or without modification, the Scheme;
- 4.3 that a copy of this Order, the provisions of the Scheme and the explanatory statement in terms of section 312(1) of the Companies Act may be obtained on request free of charge, or inspected free of charge during normal business hours at any time prior to the Scheme Meeting at the registered office of the Applicant at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa and at the office of the Chairperson c/o the Applicant's attorneys (whose address is at the foot of this Order);
- 4.4 that a copy of this Order, the Scheme and the statement in terms of section 312(1) of the Companies Act may be obtained free of charge on request during normal business hours at any time prior to the Scheme Meeting at the address given in paragraph 4.3 above; and
- 4.5 the basic characteristics of the Scheme;

5. A copy of:

- 5.1.1 the Scheme and the explanatory statement in terms of section 312(1) of the Companies Act, substantially in the form of the Scheme and the explanatory statement attached to the papers before the Court;
- 5.1.2 the notice convening the Scheme Meeting, substantially, in the form of the notice attached to the papers before the Court, stating the time, date and place of the Scheme Meeting;
- 5.1.3 the form of proxy and the form of acceptance, surrender and transfer to be used at the Scheme Meeting, substantially in the form of the form of proxy and form of acceptance, surrender and transfer attached to the papers before the Court; and

5.2 this Order,

shall be sent by the Applicant by pre-paid registered post at least 14 (fourteen) calendar days before the date of the Scheme Meeting to:

- 5.2.1 each certificated shareholder of the Applicant at his address as recorded in the register of members of the Applicant;
- 5.2.2 each dematerialised shareholder of the Applicant reflected as such in the sub-register of the Applicant maintained by the relevant CSDP at such addresses, such shareholders and addresses being those notified to Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) (the "Transfer Secretaries") by Strate Limited; and
- 5.2.3 such persons at such addresses as may be notified to the transfer secretaries by Strate Limited as being a beneficial holder of any such scheme shares recorded in the records of the CSDP members of the JSE Limited or licensed nominees, to which beneficial holder the relevant CSDP, members of the JSE Limited or licensed nominees or such beneficial shareholder, requires such documents to be sent,

all such persons and addresses to be determined at 17:00 not more than 4 (four) business days before the date of such posting;

- 6.** Evidence of:
- 6.1 the name and address of each of the persons identified in paragraphs 5.2.1, 5.2.2 and 5.2.3 above shall be by affidavit deposed to by the Transfer Secretaries; and
 - 6.2 the date of posting of the document referred to in paragraph 5 above, shall be by an affidavit deposed to by a representative of the printers of the Applicant duly supported by Post Office receipts;
- 7.** The identification of each such shareholder and person beneficially entitled to the Applicant's shares and their respective addresses referred to in paragraph 5 above shall take place at 17:00 on the day not more than 5 (five) business days (other than a Saturday, Sunday or gazetted South African public holiday) before the date of posting;
- 8.** A copy of the document referred to in paragraph 5 above may be obtained free of charge from, and shall lie for inspection at the registered office of the Applicant at, Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa during normal business hours for at least 14 (fourteen) calendar days prior to the date of the Scheme Meeting;
- 9.** The Applicant shall publish a notice of any Adjourned Meeting (and any consequent amendment of the dates and times for registration in order to be a Scheme Member and for delivery of proxies) on SENS and in each of *Business Day*, *Die Beeld*, *Rapport* and *Sunday Times*, not less than 7 (seven) calendar days prior to the earliest of the amended dates and times;
- 10.** The Chairperson shall report the results of the Scheme Meeting to this Honourable Court on Tuesday, 13 November 2007 at 10:00 or so soon thereafter as Counsel may be heard;
- 11.** The report required by this Honourable Court from the Chairperson shall give details of:
- 11.1 the number of the Scheme Members present in person (including those represented) at the Scheme Meeting or Adjourned Meeting and the number of scheme shares held by them;
 - 11.2 the number of the Scheme Members represented by proxy at the Scheme Meeting or Adjourned Meeting and the number of scheme shares held by them, together with information as to the number represented by the Chairperson in terms of proxies;
 - 11.3 the number of scheme shares held by all Scheme Members;
 - 11.4 any proxies which have been disallowed and the reasons therefor;
 - 11.5 all resolutions passed at the Scheme Meeting or Adjourned Meeting with particulars of the number of votes cast in favour of and against each such resolution and of any abstentions, indicating in each case how many votes were cast by the Chairperson in terms of proxies;
 - 11.6 all rulings made and directions given by the Chairperson at the Scheme Meeting or Adjourned Meeting;
 - 11.7 the relevant portions of documents and reports submitted or tabled at the Scheme Meeting or Adjourned Meeting; and
 - 11.8 the main points of any other proposals which were submitted to the Scheme Meeting or Adjourned Meeting;
- 12.** The report required by this Honourable Court from the Chairperson shall comply with the requirements of section FE of the Practice Manual of this Honourable Court;

13. The Applicant shall arrange to make available at the place mentioned in paragraph 4.3 above (and the notice of the Scheme Meeting or Adjourned Meeting which is published and/or sent to the shareholders of the Applicant shall include a statement that it will be so available) a copy of the Chairperson's report to the Court, free of charge, to any Scheme Members on request during normal business hours, for at least 7 (seven) calendar days before the date, or any extension of such date, fixed by the Court for the Chairperson to report back to it, which is expected to be Tuesday, 13 November 2007;
14. Each Scheme Member who holds certificated shares in the Applicant or dematerialised shares in the Applicant through a CSDP or broker with "own-name" registration and who wishes to vote by proxy at the Scheme Meeting, should complete and sign the form of proxy (referred to in paragraph 5.1.3 above) in accordance with the instructions contained therein and post such form of proxy to, or lodge it with, the Transfer Secretaries, so as to be received by no later than 09:00 on Friday, 26 October 2007. Alternatively, the form of proxy may be handed to the Chairperson of the Scheme Meeting by no later than 10 (ten) minutes before the time for which the Scheme Meeting or Adjourned Meeting has been convened;
15. Each Scheme Member who holds dematerialised shares in the Applicant through a CSDP or broker and who does not have "own-name" registration who wishes to attend and vote at the Scheme Meeting in person or by proxy should: (a) timeously inform his CSDP or broker of his intention to attend and vote in person at the Scheme Meeting or be represented by proxy thereat in order for the CSDP or broker to issue him with the necessary authorisation to do so or (b) timeously provide his CSDP or broker with his voting instruction in terms of their custody agreement should he not wish to attend the Scheme Meeting in person, in order for the CSDP or broker to vote in accordance with his instruction at the Scheme Meeting; and
16. The report back affidavit shall deal in detail with the steps which were taken to forward the document referred to in paragraph 5 above to all the registered shareholders of the Applicant at the relevant date and, in the case where shareholders of the Applicant hold their shares in the Applicant in dematerialised form, to the beneficial shareholders of the Applicant.

BY ORDER OF THE COURT

REGISTRAR

EDWARD NATHAN SONNENBERGS INCORPORATED

Applicant's attorneys

150 West Street, Sandown, Sandton, 2196
Tel: (011) 269-7600
Fax: (011) 269-7899
Ref: Pat Cronin/Richard Bell

c/o FLUXMANS INCORPORATED

11 Biermann Avenue
Rosebank, 2196
Johannesburg
Private Bag X 41, Saxonwold, 2132
Docex 54, Johannesburg
Tel: (011) 328-1700
Fax: (011) 880-2261
Ref: B Blumenthal



GOLD REEF
RESORTS

GOLD REEF RESORTS LIMITED

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

FORM OF PROXY

For use by Gold Reef certificated shareholders and own-name dematerialised shareholders only

For use by shareholders of Gold Reef, other than:

- (1) Aldiss Investments (Proprietary) Limited (a wholly-owned subsidiary of Gold Reef and the holder of 14 427 602 treasury shares in Gold Reef) ("**Aldiss**"); and
- (2) certain shares held by the Black Economic Empowerment shareholders in Gold Reef and key management of Gold Reef, registered as such at the close of business on Thursday, 25 October 2007 ("**the scheme members**") at a scheme meeting convened in terms of an Order of the High Court of South Africa, Witwatersrand Local Division to be held at 09:00 on Monday, 29 October 2007, at Gold Reef City, Gate 4, Northern Parkway, Ormonde, Johannesburg, South Africa ("**the scheme meeting**").

Each scheme member is entitled to appoint one or more proxy(ies) (who need not be a shareholder/s of Gold Reef) to attend, speak and vote in his/her stead at the scheme meeting.

If you have dematerialised all of your shares with a Central Securities Depository Participant ("**CSDP**") or broker and you do not own shares in "own-name" dematerialised form, you must arrange with your CSDP or broker to provide you with the necessary Letter of Authorisation to attend the scheme meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker.

I/We (please print names in full)

of (address)

being the registered holders of Gold Reef ordinary shares, do hereby appoint:

- 1. _____ or failing him/her,
- 2. _____ or failing him/her,
- 3. the chairperson of the scheme meeting,

as my/our proxy to attend and speak on my/our behalf at the scheme meeting and at any adjournment thereof for the purposes of considering and, if deemed fit, agreeing

| |
|---|
| with modification (see note 5 overleaf) |
| without modification |

delete whichever is not applicable,

to the scheme of arrangement in terms of section 311 of the Companies Act, 1973 (Act 61 of 1973), as amended, proposed by Fluxrab Investments No 159 (Proprietary) Limited between Gold Reef and the shareholders of Gold Reef, other than Aldiss ("**the scheme**"), at the scheme meeting, and at each adjournment thereof and to vote for and/or against the scheme and/or abstain from voting in respect of the Gold Reef shares registered in my/our name in accordance with the following instructions (see note 3 overleaf):

| Insert an "X" or the number of Gold Reef shares | | |
|---|--------------------|---------|
| For the scheme | Against the scheme | Abstain |
| | | |

Signed at _____ on _____ 2007

Signature/s of shareholder/s _____ Telephone number (_____)

Full names of shareholder/s and authority of signatory (if applicable)

NOTE: Authority of signatory must be attached where applicable (see note 14 overleaf).

Assisted by (where applicable)

(including signature, capacity and full names)

Please read the notes on the reverse side hereof.

Notes:

1. Every person present and entitled to vote at the scheme meeting as a scheme member or as a proxy or as a representative of a body corporate shall, on a show of hands, have one vote only, irrespective of the number of shares such person holds or represents, but in the event of a poll, a scheme member 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 of Gold Reef.
2. A scheme member may insert the name(s) of one or more proxies (who need not be a shareholder(s) of the company) in the space provided, with or without deleting the words "the chairperson of the scheme meeting". The person whose name appears first on this form of proxy and has not been deleted and who is present at the scheme meeting will be entitled to act in priority to those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairperson of the scheme meeting.
3. A scheme member's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of shares in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote as he thinks fit. However, where the proxy is the chairperson, such failure shall be deemed to authorise the chairperson to vote in favour of the scheme. A scheme member or his proxy is not obliged to use all the votes exercisable by the scheme member or his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the scheme member or by his proxy.
4. This form of proxy must be signed and completed in accordance with the instructions herein and returned to Gold Reef's transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) so as to be received by no later than 09:00 on Friday, 26 October 2007 or handed to the chairperson of the scheme meeting by no later than 10 (ten) minutes before the time for which the scheme meeting or any adjournment thereof has been convened.
5. If a scheme member agrees that the scheme may be modified, the scheme member may indicate the manner and extent of such modification to which the proxy may agree on a separate sheet of paper, which must be attached to this form of proxy which is submitted.
6. It should be noted that, notwithstanding that a scheme member indicates that the scheme may not be modified, the chairperson (if the chairperson of the scheme meeting is an authorised proxy) or any other proxy will nevertheless be entitled to agree to the modification of the scheme in terms of which the scheme consideration is increased.
7. If a scheme member fails to indicate whether the scheme may be agreed to with or without modification, or fails to indicate the manner and the extent of any modification to which the proxy may agree, such failure will be deemed to authorise the chairperson of the scheme meeting or any other proxy, to agree to the scheme with or without modification as he deems fit in respect of all the scheme member's votes exercisable at the scheme meeting.
8. The chairperson of the scheme meeting may accept or reject any form of proxy which is not completed and/or received in accordance with these notes, or with the articles of association of Gold Reef, provided that the chairperson of the scheme meeting is satisfied as to the manner in which the scheme member wishes to vote.
9. The completion and lodging of this form of proxy shall in no way preclude the scheme member from attending, speaking and voting in person at the scheme meeting to the exclusion of any proxy appointed in terms hereof.
10. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration or correction made to this form of proxy must be initialled by the signatories.
11. This form of proxy shall not be valid after the expiry of two months after the date when it was deposited at Gold Reef's transfer secretaries.
12. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates, although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the scheme meeting from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall, in addition to the authority conferred by the Companies Act, 1973 (Act 61 of 1973), as amended, except insofar as it provides otherwise, be deemed to confer the power generally to act at the scheme meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
13. Votes cast or acts done in accordance with the terms of this form of proxy shall be deemed to be valid, notwithstanding:
 - 13.1 the previous death, insanity, or any other legal disability of the scheme member appointing the proxy; or
 - 13.2 the revocation of the proxy; or
 - 13.3 the transfer of a Gold Reef share in respect of which the proxy was given,unless notice as to any of the abovementioned matters shall have been received by the company at its registered office or by the chairperson of the scheme meeting at the place of the scheme meeting if not held at the registered office, before the commencement or resumption (if adjourned) of the scheme meeting at which the vote was cast or the act was done or before the poll at which the vote was cast.
14. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Gold Reef's transfer secretaries or waived by the chairperson of the scheme meeting.
15. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with Gold Reef or Gold Reef's transfer secretaries or waived by the chairperson of the scheme meeting.
16. Where Gold Reef shares are held jointly, any holder may sign a form of proxy, provided that if more than one of them purport to vote or to sign a proxy, the vote or signature of the senior holder (for which purpose seniority will be determined by the order in which the names of the joint holders stand in Gold Reef's register of members) will be accepted to the exclusion of that of the other holder/s.
17. A minor must be assisted by his/her parents or guardian unless the relevant documents establishing his legal capacity are produced or have been registered by Gold Reef's transfer secretaries.



GOLD REEF
RESORTS

GOLD REEF RESORTS LIMITED

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

FORM OF ACCEPTANCE, SURRENDER AND TRANSFER

Important notes

For use by Gold Reef certificated shareholders only

This form is attached for the convenience of certificated shareholders of Gold Reef who wish to surrender their document(s) of title prior to the consideration record date, which is expected to be on Friday, 28 December 2007. The document(s) of title so surrendered will be held on behalf of the registered shareholder by Gold Reef's transfer secretaries pending the scheme of arrangement in terms of section 311 of the Companies Act, 1973 (Act 61 of 1973) ("the scheme") to be proposed by Fluxrab Investments No 159 (Proprietary) Limited ("BidCo") between Gold Reef and the shareholders of Gold Reef, other than Aldiss Investments (Proprietary) Limited, becoming operative or, in the event that the scheme is not implemented, the general offer ("general offer") which may be made by BidCo to the shareholders of Gold Reef, other than Aldiss.

If you, as a shareholder of Gold Reef, have already dematerialised your shares you must not use this form. If you have not been contacted by your central securities depository participant ("CSDP") or broker within a reasonable period of time, it is advisable that you make contact with your CSDP or broker, so as to notify it of your intentions regarding the scheme, or, in the event that the scheme is not implemented, acceptance of the general offer.

Full details of the scheme and the general offer are contained in a document sent to shareholders of Gold Reef dated Friday, 5 October 2007.

Instructions:

1. A separate form is required for each certificated shareholder.
2. Part 1A must be completed by all certificated shareholders who return this form.
3. Part 1B must be completed by those certificated shareholders (other than emigrants and non-residents of the common monetary area) who wish to receive the scheme consideration or, in the event that the general offer is made, the offer consideration, by means of electronic transfer of funds.
4. Part 1C must be completed by all certificated shareholders who are emigrants from, or non-residents of, the common monetary area.
5. Part 2 must be completed by all certificated shareholders who wish to accept the general offer in the event that the scheme does not become operative and a general offer is made. A certificated shareholder who fails to complete Part 2 or indicates non-acceptance of the general offer in Part 2 will have his or her document(s) of title returned in the event that the scheme does not become operative.
6. This form of acceptance, surrender and transfer must be completed and returned to Gold Reef's transfer secretaries by 12:00 on Friday, 28 December 2007, or, in the event that the general offer is made, by the final closing date.

To the transfer secretaries

By hand
Link Market Services South Africa (Proprietary) Limited
11 Diagonal Street
Johannesburg

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

Dear Sirs

I/We hereby surrender and enclose the share certificates, certified transfer deeds and/or other document(s) of title, details of which have been completed in 5 below, in respect of my/our holding of shares in Gold Reef.

PART 1A – FORM OF SURRENDER

To be completed in BLOCK CAPITALS by certificated shareholders of Gold Reef shares.

1. Surname or name of corporate body _____
2. First names (in full) _____
3. Title (Mr/Mrs/Miss/etc) _____
4. Address to which the scheme consideration should be posted (if different from the registered address)* _____

*Subject to the scheme becoming operative on Monday, 31 December 2007, the scheme consideration will be sent to the address stipulated above, by ordinary post, at the risk of the certificated shareholder concerned on or about Monday, 31 December 2007, if the document(s) of title have been surrendered prior to 12:00 on Friday, 28 December 2007, or will be so sent within five business days of receipt of such document(s) of title if surrendered after 12:00 on Friday, 28 December 2007. In the event that the general offer is made, if certificated offerees have surrendered their document(s) of title to Gold Reef's transfer secretaries on or prior to the final closing date, the offer consideration will, on the offer payment date, be posted to them at their addressees recorded in the register, by ordinary post.

5. Share certificates and/or other document(s) of title surrendered, and number of Gold Reef shares held

| Name of registered holder (separate form for each holder) | Certificate number/s (in numerical order) | Number of Gold Reef shares |
|--|--|----------------------------|
| | | |
| | | |
| | | |
| | | |
| Total | | |

PART 1B

To be completed in BLOCK CAPITALS by certificated shareholders of Gold Reef (other than emigrants from, and non-residents of, the common monetary area) wishing to receive payment of the scheme consideration or offer consideration, as the case may be, by means of electronic transfer of funds. The option of electronic payment into a shareholder's bank account is only applicable if document(s) of title are received on or before 12:00 on Friday, 28 December 2007 or, in the event that the general offer is made, on or before the final closing date of the general offer, which date will be released on SENS and published in the press.

Note

In order to comply with the requirements of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), Link Market Services South Africa (Proprietary) Limited will be unable to record any changes of address or payment mandates unless the following documentation is received from the relevant shareholder:

- a certified true copy of the original identification document (in respect of changes of address and payment mandate); and
- a certified true copy of an original bank statement (in respect of a bank mandate).

I/We being a holder/s of the certificated shares detailed in Part 1A hereby request that the scheme consideration or the offer consideration, as the case may be, in accordance with the terms of the scheme or the general offer, as the case may be, be electronically deposited into my/our bank account, the details of which are furnished below:

Name of account holder (no third party accounts)

| | | |
|---|---|-----------------|
| Bank name | Branch name | Type of account |
| Branch code | | |
| Account number | | |
| Signature of shareholder | Stamp and address of agent lodging this form (if any) | |
| Assisted by me (if applicable state full name and capacity) | | |
| | | |
| Date | | |
| Telephone number (Home) | | |
| Telephone number (Work) | | |
| Telephone number (Cell) | | |

PART 1C

To be completed in BLOCK CAPITALS by certificated shareholders of Gold Reef shares who are emigrants from, or other non-residents of the common monetary area.

Certificated holders of Gold Reef shares who are emigrants from the common monetary area must complete this part 1C. All other non-residents of the common monetary area must complete this part 1C if they wish the scheme consideration or the offer consideration, as the case may be, to be paid to an authorised dealer in South Africa.

If Part 1C is not properly completed by emigrants, the scheme consideration or the offer consideration, as the case may be, will be held in escrow by Gold Reef's transfer secretaries pending receipt of the necessary nomination or instruction. No interest will be paid on the amount so held in escrow.

The scheme consideration or the offer consideration, as the case may be, will be forwarded to the authorised dealer in foreign exchange in South Africa controlling the emigrant's or non-resident's blocked assets in terms of the exchange control regulations as nominated below for its control and credited to the emigrant's or non-resident's blocked accounts.

Name and address of authorised dealer in South Africa or substitute instructions

Account number

Signature of shareholder

Date

Telephone number

PART 2 – FORM OF ACCEPTANCE (FOR USE ONLY BY CERTIFICATED SHAREHOLDERS WHO WISH TO ACCEPT THE GENERAL OFFER)

Note: The general offer will only be made if the scheme fails for any reason other than the failure to obtain any necessary regulatory approvals (excluding a failure of the Court to sanction the scheme) and BidCo elects to make the general offer.

A shareholder who fails to complete or indicates non-acceptance of the general offer in Part 2 will have his/her transfer document(s) of title returned in the event that the scheme does not become operative. A further form of acceptance, surrender and transfer will be sent to such shareholder, who will then be given a further opportunity to accept the general offer.

General offer

I/We wish to accept the general offer upon the terms and conditions as set out in the document, in respect of _____ shares held by me/us and I/we surrender, in accordance with such terms and conditions, my/our said document(s) of title. (Failure to state a number of shares shall be deemed to indicate acceptance of the general offer in respect of all shares indicated by the document(s) of title surrendered by that shareholder or his/her representative).

If the general offer is not accepted or is refused on this form it may nevertheless be accepted by shareholders on a similar form which will be sent to shareholders immediately upon the general offer opening. Acceptance may be made at any time prior to the closing of the general offer.

I/We acknowledge that this acceptance of the general offer must be lodged prior to the final closing date of the general offer which will be announced at the relevant time.

Signature of shareholder:

Date

Telephone number

General notes

1. If this form is not signed by the certificated shareholder, the certificated shareholder will be deemed to have irrevocably appointed the company secretary of Gold Reef to implement the certificated shareholder's obligations under the scheme or the general offer (as the case may be) on his or her behalf.
2. No receipts will be issued for document(s) of title lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents will be requested to prepare special transaction receipts, if required.
3. Any alteration to this form must be signed in full and not initialled.
4. If this form is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Gold Reef or Gold Reef's transfer secretaries).
5. Where the certificated shareholder of Gold Reef shares is a company or a close corporation, unless it has already been registered with Gold Reef or Gold Reef's transfer secretaries, a certified copy of the directors' or shareholders' resolution authorising the signing of this form must be submitted if so requested by Gold Reef.
6. Where there are joint holders of any certificated shares, only that holder whose name stands first in the register of Gold Reef shareholders in respect of such shares need sign this form.
7. Signatories may be called upon for evidence of the authority or capacity to sign this form.
8. If this form is returned with the relevant document of title, it will be treated as a conditional surrender which is made subject to the scheme becoming operative. The transfer secretaries will hold document(s) of title so surrendered in anticipation of the scheme becoming operative in escrow until the scheme becomes operative or, in the event that the general offer is made, until the final closing date of the general offer. In the event that the scheme does not become operative for any reason whatsoever and the certificated shareholder does not accept the general offer, or the general offer does not become unconditional, Gold Reef's transfer secretaries will, within 5 (five) business days after it becomes apparent that the scheme will not become operative, or the general offer does not become unconditional, as the case may be, return the document(s) of title to the certificated shareholders concerned, by registered post, at the risk of such shareholders.
9. The scheme consideration or the offer consideration, as the case may be, will not be provided to shareholders unless and until the document(s) of title in respect of the relevant Gold Reef shares have been surrendered to Gold Reef's transfer secretaries.
10. If document(s) of title relating to any scheme share to be surrendered are lost or destroyed, Gold Reef may, in its sole and absolute discretion, dispense with the surrender of document(s) of title requirements against provision of an acceptable indemnity, satisfactory to Gold Reef, the cost of which indemnity will be borne by the certificated scheme participant concerned, or may in its discretion waive such indemnity.
11. If document(s) of title have been lost or destroyed and the relevant certificated offeree produces evidence to this effect to Gold Reef's and BidCo's satisfaction, Gold Reef and BidCo may dispense with the surrender of document(s) of title requirements against provision of an acceptable indemnity the cost of which indemnity will be borne by the certificated offeree concerned or may in their discretion waive such indemnity.

