



GOLD REEF

R E S O R T S

GOLD REEF RESORTS LIMITED

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

UPDATE ON THE SCHEME OF ARRANGEMENT

1. INTRODUCTION

Gold Reef shareholders are referred to the announcement dated Tuesday, 13 November 2007 in which Gold Reef shareholders were advised that the High Court of South Africa (Witwatersrand Local Division) ("the Court") had conditionally sanctioned the scheme of arrangement ("the Scheme") in terms of section 311 of the Companies Act (61 of 1973), as amended ("the Companies Act"), proposed by Fluxrab Investments No. 159 (Proprietary) Limited ("BidCo") between Gold Reef and the shareholders of Gold Reef, other than Aldiss Investments (Proprietary) Limited (a wholly-owned subsidiary of Gold Reef and the holder of 14 427 602 treasury shares) ("Aldiss"), in terms of which BidCo will acquire all the Gold Reef shares held by shareholders, other than Aldiss, recorded in the register as such on 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 ("consideration record date"), and who will be entitled to receive the scheme consideration ("scheme participants") on the operative date, other than the 14 427 602 treasury shares held by Aldiss. 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 ("the Offer"). The scheme consideration is 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.

Gold Reef shareholders were further advised that the sanctioning of the Scheme by the Court was conditional upon the following conditions:

- 1.1 a certified copy of the Order of Court sanctioning the Scheme being registered by the Registrar of Companies in terms of the Companies Act;
- 1.2 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;
- 1.3 the Exchange Control Division of the South African Reserve Bank approving the Offer in terms of Exchange Control Regulations, either unconditionally or subject to such conditions as may be acceptable to Gold Reef and BidCo;

- 1.4 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
- 1.5 all other approvals to the extent necessary in respect of the Offer being implemented, including but not limited to approvals from the Securities Regulation Panel.

2. UPDATE ON THE SCHEME

Gold Reef shareholders are advised that:

- 2.1 the conditions precedent set out in paragraphs 1.1, 1.3 and 1.5 have been fulfilled;
- 2.2 the conditions precedent set out in paragraphs 1.2 and 1.4 ("outstanding conditions") are still outstanding and will not be fulfilled by Tuesday, 11 December 2007. The competition filing has been lodged with the Competition Authorities and the applications for gambling regulatory approvals have been lodged with the relevant gambling boards, which competition filing and gambling applications are currently being considered by the relevant regulatory authorities;
- 2.3 Gold Reef and BidCo are working on procuring the fulfilment of the outstanding conditions including replying to objections and requests for further information.

If the outstanding conditions are not fulfilled or waived, to the extent permissible, by Thursday, 31 January 2008, Gold Reef and BidCo may agree to extend the date, failing which the Scheme will fail to become operative and will be of no force and effect.

3. FINAL IMPORTANT DATES AND TIMES

Due to the outstanding conditions, shareholders are advised that the indicative salient dates and times published in the circular and announcement dated Friday, 5 October 2007, are no longer applicable.

A further announcement with the final important dates and times will be released on SENS and published in the press as soon as they are determined.

Johannesburg
Monday, 10 December 2007

Financial advisor and transactional sponsor to Gold Reef



Legal advisors to Gold Reef



Sponsor to Gold Reef



Independent advisor to the Gold Reef board



Auditors to Gold Reef



Private equity sponsors and transaction arrangers for BidCo



Financial advisor to BidCo



Legal advisors to the BEE shareholders



Lenders



Legal advisors to BidCo



Legal advisors to BidCo lenders

