

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

**OPTION TO ACQUIRE AN INTEREST IN THE HOLDER OF THE WESTERN
GAUTENG CASINO LICENCE**

GRCR shareholders are referred to the announcements dated 1 December 2004 and 29 March 2005 concerning the option agreements of GRCR and Akani Leisure Investments (Proprietary) Limited ("Akani") to acquire the entire issued share capital of Silverstar Development Limited ("Silverstar"), the holder of the casino license for the West Rand area of Gauteng and all the assets and rights of the shareholders in respect of the casino license including the casino management contract ("the options").

Pursuant to the previously announced judgment of the Supreme Court of Appeal and the issue of the West Rand casino license in April 2005, the Gauteng Gambling Board ("the Board") on 12 May 2006 granted its approval in all material respects to the request by Silverstar for changes to the terms of the casino license and the design of the Silverstar Casino Resort consistent with the environmental and planning approvals granted in late 2005. This decision of the Board represents the final material approval required for development of the Silverstar Casino Resort to proceed.

This decision of the Board also satisfies one of the conditions precedent to the exercise of the options by GRCR and Akani while those that remain relate only to the specific approvals that may be required from the relevant authorities for exercise of the options to be given effect.

Shareholders will be informed in due course of any further significant developments regarding the fulfillment of the remaining conditions precedent for exercise of the options.

Johannesburg
17 May 2006

Financial Advisor
Absa Capital

Sponsor

Nedbank Capital