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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Harry Winston Diamond Corporation:

We have audited the accompanying consolidated balance sheets of Harry Winston Diamond Corporation (the "Company") as of January 31, 2011 and 2010 and the related consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended January 31, 2011. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Harry Winston Diamond Corporation as of January 31, 2011 and January 31, 2010 and its consolidated results of operations and its consolidated cash flows for each of the years in the two-year period ended January 31, 2011 in conformity with Canadian generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information included in Exhibit 99.8 entitled "Differences between Canadian and United States Generally Accepted Accounting Principles" is presented for purposes of additional analysis and requirements under securities legislation. Such supplementary information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.



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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of January 31, 2011, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated April 18, 2011 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' to the right side of the 'P'.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

April 18, 2011

Differences Between Canadian and United States Generally Accepted Accounting Principles

These financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in Canada. Except as set out below, these financial statements also comply, in all material aspects, with accounting principles generally accepted in the US and the rules and regulations of the Securities Exchange Commission. The following tables reconcile results as reported under Canadian GAAP with those that would have been reported under US GAAP.

Certain comparative figures have been reclassified to conform with the current year’s presentation.

(tabular amounts in thousands of United States dollars, except as otherwise noted)

	Canadian GAAP	US GAAP
	2011	2011
Consolidated Balance Sheets		
<i>Balance sheet:</i>		
Mining assets (a) (b) (c)	\$ 777,807	\$ 734,369
Future income tax liability, net (d) (f)	301,674	278,610
Other long-term liability (d)	3,001	8,988
Shareholders’ equity (d)	734,926	708,565
	Canadian GAAP	US GAAP
	2010	2010
<i>Balance sheet:</i>		
Mining assets (a) (b) (c)	\$ 802,984	\$ 749,311
Future income tax liability, net (d) (f) (g)	229,017	206,567
Other long-term liability (d)	2,201	6,973
Shareholders’ equity (d) (f) (g)	860,585	824,590
Consolidated Statements of Earnings		
	2011	2010
		<i>Restatement</i>
		<i>(Note g)</i>
Earnings (loss) attributable to shareholders for the year, Canadian GAAP	\$ 21,669	\$ (73,176)
Cost of sales (c) (e)	10,235	7,599
Future income taxes (f)	(3,209)	(293)
Dilution loss (g)	—	34,761
Earnings (loss) attributable to shareholders for the year, US GAAP	\$ 28,695	\$ (31,109)

	2011	2010
<i>Consolidated Statements of Comprehensive Income (Loss)</i>		
		<i>Restatement (Note g)</i>
Earnings (loss) attributable to shareholders for the year, US GAAP	\$ 28,695	\$ (31,109)
Other comprehensive income (loss), Canadian GAAP	11,233	6,403
Other comprehensive income (loss), US GAAP (d)	(1,038)	704
Total comprehensive income (loss) attributable to shareholders, US GAAP	\$ 38,890	\$ (24,002)
Basic earnings (loss) per share	\$ 0.36	\$ (0.42)
Diluted earnings (loss) per share	\$ 0.35	\$ (0.42)

	2011	2010
<i>Consolidated Statement of Cash Flows</i>		
		<i>Restatement (Note g)</i>
<i>Cash provided by (used in):</i>		
Operating, Canadian GAAP	\$ 73,688	\$ 44,209
Net earnings (loss) adjustments (c)	7,026	42,067
Items not involving cash:		
Amortization and accretion (c)	(10,235)	(7,599)
Future income taxes	3,209	293
Dilution loss (g)	—	(34,761)
<i>Cash provided by (used in):</i>		
Operating, US GAAP	73,688	44,209
<i>Cash provided by (used in):</i>		
Financing, Canadian GAAP	69,081	(103,996)
<i>Cash provided by (used in):</i>		
Financing, US GAAP	69,081	(103,996)
<i>Cash provided by (used in):</i>		
Investing, Canadian GAAP	(103,774)	100,359
<i>Cash provided by (used in):</i>		
Investing, US GAAP	(103,774)	100,359
Foreign exchange effect on cash balances	6,729	5,662
Increase (decrease) in cash and cash equivalents	45,274	46,234
Cash and cash equivalents, beginning of year	62,969	16,735
Cash and cash equivalents, end of year	\$ 108,693	\$ 62,969

(a) *Mineral Rights*

The Company's policy is to capitalize the costs of acquiring mineral rights under both Canadian and US GAAP.

(b) *Expenditures on Mining Interests Prior to the Establishment of Proven and Probable Reserves*

The Company's policy under US GAAP is to expense all costs on properties prior to the completion of a definitive feasibility study which establishes proven and probable reserves.

There is no difference in the calculation of reserves for the periods presented under Canadian or US GAAP. The calculation follows the requirements of the Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Project as well as the definitional guidance of Industry Guide 7 as required under US GAAP.

(c) *Expenditures on Mining Interests Upon the Establishment of Proven and Probable Reserves*

Upon establishment of proven and probable reserves, the Company has capitalized the costs of developing these reserves for both Canadian and US GAAP purposes.

Under US GAAP, the production stage is deemed to begin when saleable minerals are extracted from an ore body, regardless of the level of production. For Canadian GAAP, the production stage is deemed to begin when production reaches commercial levels. For US GAAP purposes, the start-up phase ended effective February 1, 2003 for the A-154 pipe and June 1, 2008 for the A-418 pipe. For Canadian GAAP purposes, the start-up phase ended effective August 1, 2003 for the A-154 pipe and August 1, 2008 for the A-418 pipe.

For Canadian GAAP purposes, the net book value of mining assets will be higher than for US GAAP purposes due to the capitalization of costs incurred for Canadian GAAP purposes in the first and second quarters of fiscal 2004 for the A-154 pipe and in the second quarter of fiscal 2009 for the A-418 pipe. This results in lower amortization under US GAAP, which is offset by the expensing of exploration costs for US GAAP purposes. Amortization pertaining to A-154 and A-418 items deferred for Canadian GAAP purposes net of exploration costs resulted in a \$10.2 million decrease in cost of sales for the year ended January 31, 2011 for US GAAP purposes (\$7.6 million for the year ended January 31, 2010).

For Canadian and US GAAP purposes, stripping costs attributable to separate and distinct ore bodies are capitalized during the pre-production stage. These stripping costs are expensed once the production phase of the ore body is deemed to have begun. The production phase is defined as when saleable minerals are extracted (produced) from the ore body.

There is no difference in the calculation of reserves for the periods presented under Canadian or US GAAP. The calculation follows the requirements of the Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Project as well as the definitional guidance of Industry Guide 7 as required under US GAAP.

(d) *Accounting for Defined Benefit Pension and Other Postretirement Plans*

For US GAAP purposes, the Company has adopted ASC Topic 715-20 (FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and other Postretirement Plans*), issued in September 2006. For the year ended January 31, 2011, a liability for pension benefits of \$3.0 million is reported under other long-term liability for Canadian GAAP purposes. For US GAAP purposes, the following balance sheet reclassifications were made for fiscal 2011: an increase of \$1.2 million in other long-term liability, a decrease in net future income tax liability of \$0.2 million and a decrease in accumulated other comprehensive income (loss) of \$1.0 million. For the year ended January 31, 2010, the reclassifications were a decrease of \$0.8 million in other long-term liability, an increase in net future income tax liability of \$0.1 million and an increase in accumulated other comprehensive income (loss) of \$0.7 million.

(e) *Investment Tax Credits*

Under Canadian GAAP the Company records non-refundable investment tax credits as a reduction in the expense or the capital expenditure to which they relate. The majority of non-refundable investment tax credits earned by the Company relate to research and development expenditures and pre-production mining expenditures. Under US GAAP, non-refundable investment tax credits are recorded as a reduction in the current income tax expense in the year in which the tax credits are earned and more likely than not to be realized.

(f) *Accounting for Uncertainty in Income Taxes*

The Company has adopted the provisions of ASC Topic 740-10 with respect to the accounting for uncertainty in income taxes on February 1, 2007 for US GAAP reporting purposes only. As of January 31, 2011 and 2010, the Company recognized a reduction of \$0.8 million and \$0.7 million of future income tax liability, respectively. These reductions are as a result of certain tax benefits not recognized for Canadian GAAP purposes being recognized for US GAAP purposes in accordance with FIN 48.

A reconciliation of the beginning and ending amount of the reduction is as follows:

	2011	2010
Unrecognized tax benefit at the beginning of the year	\$ (727)	\$ (620)
Foreign exchange	(50)	(91)
Addition based on tax position taken during the current period	–	(16)
Unrecognized tax benefit at the end of the year	(777)	(727)

(g) *Restatement*

In 2010, under Canadian GAAP, the Company had recorded a non-cash dilution loss of \$34.8 million with respect to the investment by Kinross of an indirect interest in the Daivik Diamond Mine. Under US GAAP, ASC Topic 805 (formerly Statement of Financial Accounting Standards 141 (R)) and ASC Subtopic 810-10 (formerly, Accounting Research Bulletin No 51, Consolidated Financial Statements), changes in a Company's ownership interest in an entity that do not result in a loss of control should be accounted for as an equity transaction. As a result, the Company determined that for US GAAP purposes for the year ended January 31, 2010, the investment by Kinross should be accounted for as an equity transaction and the loss attributable to shareholders for that year was overstated by \$34.8 million, and the future income tax liability was understated by \$3.6 million. Accordingly, the Company has restated the prior year's balance sheet, consolidated statements of earnings, comprehensive income and cash flows, under US GAAP, to reflect the changes under ASC Topic 805 and ASC subtopic 810-10.

(h) *Impact of Recent United States Accounting Pronouncements*

Subsequent Events

In February 2010, the FASB issued ASU 2010-09 "Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements". This ASU amended the guidance on subsequent events and will no longer require that an SEC filer disclose the date through which subsequent events have been evaluated. The amendment was effective on issuance. This amendment had no material impact on the consolidated financial statements.



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Harry Winston Diamond Corporation

We have audited Harry Winston Diamond Corporation's (the "Company") internal control over financial reporting as of January 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, in Management's Annual Report on Internal Control over Financial Reporting included in Form 40-F for the year ended January 31, 2011. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as at January 31, 2011 and January 31, 2010 and the consolidated statements of earnings, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended January 31, 2011, and our report dated April 18, 2011 expressed an unqualified opinion on those consolidated financial statements.

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Chartered Accountants, Licensed Public Accountants

Toronto, Canada
April 18, 2011