Rockwell Diamonds Inc.

Unaudited Interim Consolidated Financial Statements
for the period ended 30 November 2015

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The reports and statements set out below comprise the unaudited interim consolidated financial statements:

The unaudited interim consolidated financial statements set out on pages 3 to 31, which have been prepared on the going concern basis, were approved by the board on 14 January 2016 and were signed on its behalf by:

James Campbell	**Dr Mark Bristow**
Director	**Director**

Notice of no Auditor Review of Interim Consolidated Financial Statements

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these interim consolidated financial statements they must be accompanied by a notice indicating that these interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management, and have not been reviewed by an auditor.

Rockwell Diamonds Inc.

Unaudited Interim Consolidated Financial Statements for the period ended 30 November 2015

Consolidated Statements of Financial Position

Amounts in Canadian Dollars ('000)	Note(s)	As at 30 November 2015	As at 28 February 2015
Assets			
Non-current assets			
Mineral property interests	2	24 320	16 518
Investment in associates	3	453	396
Property, plant and equipment	4	32 547	27 001
Investments and deposits	5	1 436	1 502
Rehabilitation deposits	13	2 043	3 376
Total non-current assets		**60 799**	**48 793**
Current assets			
Inventories		3 142	2 177
Loans to related parties	14	-	8
Current tax receivable		32	37
Trade and other receivables		5 706	4 889
Assets held for sale	7	-	13 525
Cash and cash equivalents	6	704	576
Total current assets		**9 584**	**21 212**
Total assets		**70 383**	**70 005**
Equity and liabilities			
Equity			
Share capital	9	147 435	147 435
Reserves		(13 872)	(8 575)
Retained loss		(115 373)	(102 076)
Total equity attributable to the equity holders of the Group		18 190	36 784
Non-controlling interest		(621)	(2 369)
Total equity		**17 569**	**34 415**
Liabilities			
Non-current liabilities			
Loans and borrowings	11	23 474	3 844
Finance lease obligation		626	1 276
Deferred tax	12	3 567	2 995
Rehabilitation obligation	13	6 157	5 987
Total non-current liabilities		**33 824**	**14 102**
Current liabilities			
Loans from related parties	14	163	162
Loans and borrowings	11	3 235	2 296
Finance lease obligation		628	708
Trade and other payables		12 859	10 902
Liabilities held for sale	7	-	7 420
Bank overdraft	6	2 105	-
Total current liabilities		**18 990**	**21 488**
Total liabilities		**52 814**	**35 590**
Total equity and liabilities		**70 383**	**70 005**

Consolidated Statements of Financial Performance

Amounts in Canadian Dollars ('000)	Note(s)	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2014	9 months ended 30 November 2014
Sale of diamonds	19	6 913	27 459	17 430	41 361
Beneficiation income	19	155	9 814	1 427	9 515
Cost of sales before amortization and depreciation	20	(12 156)	(36 296)	(22 092)	(48 655)
Gross (loss) profit before amortization and depreciation		**(5 088)**	**977**	**(3 235)**	**2 221**
Amortization of mineral property interests		(391)	(1 247)	(225)	(631)
Depreciation of property, plant and equipment		(1 505)	(4 364)	(1 357)	(4 334)
Rehabilitation obligation recognized		(56)	(121)	(99)	(340)
Gross loss		**(7 040)**	**(4 755)**	**(4 916)**	**(3 084)**
Other income		126	641	438	563
General, administration and business development expenses		(734)	(3 996)	(1 505)	(4 349)
Loss on sale of subsidiary	8	(79)	(1 853)	-	-
Realized foreign exchange with sale of subsidiary		-	1 276	-	-
Loss before net finance costs	21	**(7 727)**	**(8 687)**	**(5 983)**	**(6 870)**
Finance income	22	78	127	8	274
Foreign exchange loss on US$ loans		(1 995)	(4 818)	-	-
Finance costs	23	(875)	(2 216)	(223)	(610)
Loss after net finance costs		**(10 519)**	**(15 594)**	**(6 198)**	**(7 206)**
Share of profit from equity accounted investment	3	31	122	(173)	(88)
Loss before taxation		**(10 488)**	**(15 472)**	**(6 371)**	**(7 294)**
Taxation	24	1 162	2 112	1 621	1 407
Loss for the period		**(9 326)**	**(13 360)**	**(4 750)**	**(5 887)**
Loss attributable to :					
Owners of the parent		(9 346)	(13 297)	(4 825)	(5 811)
Non-controlling interest		20	(63)	75	(76)
		(9 326)	**(13 360)**	**(4 750)**	**(5 887)**
Loss per share					
Basic and diluted loss per share (cents)	25	(17.13)	(24.37)	(8.96)	(10.80)

Consolidated Statements of Comprehensive Income

Amounts in Canadian Dollars ('000)	Note(s)	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2015	9 months ended 30 November 2015
Loss for the period		**(9 326)**	**(13 360)**	**(4 750)**	**(5 887)**
Other comprehensive income net of taxation					
Items that are or may be reclassified to profit or loss					
Exchange differences on translating foreign operations		(1 521)	(2 672)	514	(16)
Realized foreign exchange differences with sale of subsidiary		-	(1 276)	-	-
Other comprehensive income for the period net of taxation		**(1 521)**	**(3 948)**	**514**	**(16)**
Total comprehensive income for the period		**(10 847)**	**(17 308)**	**(4 236)**	**(5 903)**
Total comprehensive income attributable to:					
Owners of the Group		(10 917)	(17 378)	(4 286)	(5 825)
Non-controlling interest		70	70	50	(78)
Total comprehensive income for the period		**(10 847)**	**(17 308)**	**(4 236)**	**(5 903)**

Consolidated Statements of Changes in Equity

Amounts in Canadian Dollars ('000)	Share capital	Foreign currency translation reserve *	Share-based payment reserve **	Total net reserves	Retained loss	Total equity attributable to equity holders of the Group	Non-controlling interest	Total equity
Balance at 01 March 2014	**147 073**	**(18 799)**	**8 790**	**(10 009)**	**(88 096)**	**48 968**	**(1 737)**	**47 231**
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(5 811)	(5 811)	(76)	(5 887)
Other comprehensive income	-	(14)	-	(14)	-	(14)	(2)	(16)
Total comprehensive income for the period	-	(14)	-	(14)	(5 811)	(5 825)	(78)	(5 903)
Share-based payment expense	-	-	97	97	-	97	-	97
Share options exercised	33	-	(16)	(16)	-	17	-	17
Shares issued to employees	347	-	-	-	-	347	-	347
Share issue costs	(1)	-	-	-	-	(1)	-	(1)
Total changes	379	(14)	81	51	(5 811)	(5 381)	(78)	(5 459)
Balance as at 30 November 2014	**147 452**	**(18 813)**	**8 871**	**(9 942)**	**(93 907)**	**43 603**	**(1 815)**	**41 788**
	-	-	-	-	-	-	-	-
Balance at 01 March 2015	**147 435**	**(17 605)**	**9 030**	**(8 575)**	**(102 076)**	**36 784**	**(2 369)**	**34 415**
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(13 297)	(13 297)	(63)	(13 360)
Other comprehensive income	-	(4 081)	-	(4 081)	-	(4 081)	133	(3 948)
Total comprehensive income for the period	-	(4 081)	-	(4 081)	(13 297)	(17 378)	70	(17 308)
Share-based payment expense	-	-	59	59	-	59	-	59
Sale of subsidiary (note 8)	-	(1 275)	-	(1 275)	-	(1 275)	1 678	403
Total changes	-	(5 356)	59	(5 297)	(13 297)	(18 594)	1 748	(16 846)
Balance at 30 November 2015	**147 435**	**(22 961)**	**9 089**	**(13 872)**	**(115 373)**	**18 190**	**(621)**	**17 569**
Note(s)	9		10					

* Currency translation differences arising on the conversion of the net investment in foreign operations from the functional currency to the Company's presentation currency are accumulated in the foreign currency translation reserve.

** Equity settled share-based payment transactions are accumulated in the share-based payment reserve.

Consolidated Statements of Cash Flows

Amounts in Canadian Dollars ('000)	Note(s)	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2014	9 months ended 30 November 2014
Cash flows from operating activities					
Cash receipts from customers		11 899	38 239	16 888	52 083
Cash paid to suppliers and employees		(11 504)	(39 142)	(19 592)	(52 198)
Cash generated from (utilised by) operations	17	395	(903)	(2 704)	(115)
Finance income		33	125	8	274
Finance costs		13	(210)	(576)	(576)
Tax paid	18	-	-	1	1
Net cash inflow (outflow) from operating activities		**441**	**(988)**	**(3 271)**	**(416)**
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(450)	(1 357)	(1 411)	(2 964)
Proceeds from sale of property, plant and equipment	4	2	87	17	355
Purchase of mineral property interests	2	(13)	-	5	(578)
Proceeds from sale of mineral property interests	2	-	502	-	-
Proceeds from sale of subsidiary	8	543	3 410	-	-
Investment in joint venture	3	-	-	(104)	(207)
Acquisition of subsidiary and business combination	16	-	(1 708)	-	-
(Increase) decrease in related party loans		(2)	30	-	-
Decrease (increase) in other financial assets		62	(22)	3 192	2 692
Decrease (increase) in rehabilitation deposits		1 343	1 625	(2 159)	(1 672)
Net cash inflow (outflow) from investing activities		**1 485**	**2 567**	**(460)**	**(2 374)**
Cash flows from financing activities					
Proceeds on share issue	9	-	-	16	16
Share issue costs	9	-	-	(1)	(1)
(Repayment of) proceeds from loans and borrowings		(775)	(3 752)	2 256	2 251
(Repayment of) proceeds from finance lease obligations		(171)	(580)	1 904	1 765
Net cash outflow from financing activities		**(946)**	**(4 332)**	**4 175**	**4 031**
Net movement in cash and cash equivalents for the period		**980**	**(2 753)**	**444**	**1 241**
Cash and cash equivalents at the beginning of the period		(2 381)	576	(963)	(1 760)
Cash and cash equivalents released from assets held for sale		-	776	-	-
Total net cash and cash equivalents at end of the period	6	**(1 401)**	**(1 401)**	**(519)**	**(519)**

Accounting Policies

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

1.1 Nature of operations

Rockwell Diamonds Inc. ("Rockwell" or the "Company") is engaged in the business of diamond production and the acquisition and exploration of natural resource properties. The unaudited interim consolidated financial statements of the Company as at 30 November 2015 and 28 February 2015 and for the nine months ended 30 November 2015 and 2014, comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates. The Group's mineral property interests are located in South Africa. Rockwell is incorporated in Canada under the British Columbia Business Corporations Act. Rockwell is primarily listed on the Toronto Stock Exchange (TSX) with a secondary listing on the Johannesburg Stock Exchange (JSE).

1.2 Continuance of operations

The Group incurred a loss of $13.4 million (2014: $5.9 million) for the nine month period ended 30 November, 2015. As of this date its current liabilities exceed its current assets by $9.4 million. The directors have considered the ability of the Group to continue as a going concern and note there to be a number of uncertainties which may have an impact on the going concern assumption:

- The Group has an overdraft facility of $2.1 million (ZAR23 million) with Standard Bank which is expected to be paid down over the next 6 months;

- The ongoing sales and commercial relationship with Diacore, which underpins the Group's revenues, and financing support; and

- The ability of the Group to process ore in a timely and effective manner to recover stones of sufficient value to maintain a sustainable business.

Based on the business plans and assumptions that such operational performance and aggregate financing will continue to be available, the directors believe that the going concern assumption remains an appropriate basis for the preparation of these financial statements. Should the going concern assumption not be appropriate, adjustments would have to be made to reduce the value of the Group's assets to their realizable values.

1.3. Basis of preparation

1.3.1 Statement of compliance

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with IAS 34: *Interim Financial Reporting*. The accounting policies applied in the unaudited interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended 28 February 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

1.3.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except where otherwise stated, as set out in the accounting policies below.

1.3.3 Presentation currency

These unaudited interim consolidated financial statements are presented in Canadian dollars. All financial information presented in Canadian dollars has been rounded to the nearest dollar, except as otherwise indicated.

Accounting Policies

1.3 Basis of preparation (continued)

1.3.4 Use of estimates and judgements

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Estimates and underlying assumptions are reviewed on a ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes to the consolidated financial statements for the year ended February 28, 2015:

- Note 2 – Mineral property interests
- Note 4 – Property, plant and equipment
- Note 6 – Inventories
- Note 11 – Rehabilitation obligation
- Note 14 – Deferred tax
- Note 15 – Rehabilitation obligation

Accounting Policies

1.4 Significant accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as at and for the year ended 28 February 2015, except for the following standards and interpretations adopted in the current financial period:

- Amendments to 6 standards Improvements to IFRSs 2010-2012 Cycle
- Amendments to 4 standards Improvements to IFRSs 2011-2013 Cycle

These changes have had no significant impact on the measurement of the Group's assets and liabilities.

1.5. Standards, interpretations and amendments to published standards which are not yet effective

Standards and interpretations issued but not yet effective:

Effective for the financial year commencing 1 March 2016

- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to 4 standards Improvements to IFRSs 2012-2014 Cycle
- IFRS 10, IFRS 12 and IAS 27 Investment Entities: Applying the Consolidation Exception
- IAS 1 Disclosure Initiative

Effective for the financial year commencing 1 March 2017

- IFRS 15 Revenue from Contracts with Customers

Effective for the financial year commencing 1 March 2018

- IFRS 9 Financial Instruments

All standards and Interpretations will be adopted at their effective date. Management is currently in the process of assessing the applicability and impact of the above-mentioned, if any.

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)

2. Mineral property interests

	As at 30 November 2015			As at 28 February 2015		
	Cost	**Accumulated amortization and impairment losses**	**Carrying value**	**Cost**	**Accumulated amortization and impairment losses**	**Carrying value**
Mineral property interests	28 215	(3 895)	24 320	20 406	(3 888)	16 518

Reconciliation of mineral property interests - 30 November 2015

	Opening balance	**Additions**	**Disposals**	**Foreign exchange movements**	**Amortization**	**Closing balance**
Mineral property interests	16 518	11 862	(341)	(2 472)	(1 247)	24 320

Reconciliation of mineral property interests - 28 February 2015

	Opening balance	**Additions**	**Transfer to assets held for sale (note 7)**	**Foreign exchange movements**	**Amortization**	**Impairments**	**Closing balance**
Mineral property interests	26 642	663	(8 000)	582	(793)	(2 576)	16 518

Details of the Group's mineral property interests are disclosed in its annual consolidated financial statements as at and for the year ended 28 February 2015. Material changes are as follows:

- Purchase of Bo-Karoo, Remhoogte and Holsloot properties as part of the Steyn transaction (refer note 16); and
- Sale of Saxendrift Extension property for $0.5 million.

Amounts in Canadian Dollars ('000)

3. Investment in associates

Associates

3.1. Flawless Diamonds Trading House Proprietary Limited - (20% shareholding)

	As at 30 November 2015	As at 28 February 2015
Carrying amount		
Opening balance	396	233
Share of profit from equity accounted investment	122	149
Foreign exchange movements	(65)	14
Closing balance	**453**	**396**

The associate had no other comprehensive income for the 9 months ended 30 November 2015 (9 months ended 30 November 2014: $Nil).

Summarised financial information of associate - (100% interest)

	As at 30 November 2015	As at 28 February 2015
Current assets	4 968	14 511
Non-current assets	61	776
Total assets	5 029	15 287
Current liabilities	2 841	13 325
Non-current liabilities	-	-
Total liabilities	2 841	13 325
Net assets	2 188	1 962
Revenue	82 566	105 643
Total comprehensive income for the year	611	743
Capital commitments and contingent liabilities of associate	-	-

The Group holds 20% of Flawless Diamonds Trading House Proprietary Limited ("Flawless") incorporated in the Republic of South Africa. Flawless is a registered diamond broker which provides specialist diamond valuation, marketing and tender sales services to the Group.

The Group has significant influence over Flawless' operations and accounts for its investment using the equity method.

3.2. Banzi Trade 26 Proprietary Limited - (49% shareholding)

Banzi Trade 26 Proprietary Limited ("Banzi Trade") was incorporated in 2005 in the Republic of South Africa with nominal equity capital. The Group acquired a 49% shareholding in the same year. Since incorporation the Group's portion of the losses from Banzi Trade have exceeded its investment in the associate. The Group, in terms of its accounting policy, does not account for losses in excess of its investment in associates in the absence of guarantees. The Group's carrying value of its investment in Banzi Trade is Nil.

Amounts in Canadian Dollars ('000)

4. Property, plant and equipment

	As at 30 November 2015			As at 28 February 2015		
	Cost	**Accumulated depreciation and impairment charges**	**Net carrying value**	**Cost**	**Accumulated depreciation and impairment charges**	**Net carrying value**
Land and buildings	3 690	(951)	2 739	3 495	(1 019)	2 476
Plant and machinery	55 369	(28 106)	27 263	51 249	(28 366)	22 883
Motor vehicles	1 030	(740)	290	1 197	(810)	387
Office equipment	897	(822)	75	1 043	(879)	164
Construction in progress	2 180	-	2 180	1 091	-	1 091
	63 166	**(30 619)**	**32 547**	**58 075**	**(31 074)**	**27 001**

Reconciliation of property, plant and equipment - 30 November 2015

	Opening balance	**Additions**	**Assets and liabilities acquisitions (Note 17)**	**Disposals**	**Foreign exchange movements**	**Depreciation**	**Closing balance**
Property, plant and equipment	27 001	1 357	13 238	(76)	(4 605)	(4 364)	32 551

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 28 February 2015

	Opening balance	Additions	Transfer to assets held for sale (note 7)	Disposals	Foreign exchange movements	Depreciation	Impairment loss	Closing balance
Property, plant and equipment	30 719	4 070	(1 448)	(633)	1 004	(6 273)	(438)	27 001

The following assets are subject to finance lease obligations; plant and machinery with a net carrying value of $2.1 million (28 February 2015: $2.6 million) and motor vehicles with a net carrying value of $0.1 million (28 February 2015: $0.1 million) totalling $2.2 million (28 February 2015: $2.8 million).

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	As at 30 November 2015	As at 28 February 2015
5. Investments and deposits		
At fair value through profit or loss		
Investments	1 379	1 436
The Group invests in insurance policies with endowment benefits on maturity of the policies in order to provide funding for the rehabilitation obligations. Fair value represents the surrender value of these investments. These policies are encumbered by the guarantees issued on behalf of the Group to the South African Department of Mineral Resources (refer notes 11 and 24).		
At amortized cost		
Deposits	57	66
Deposits paid to the South African national electricity supplier.		
Total investments and deposits	**1 436**	**1 502**
Non-current assets		
At fair value through profit or loss	1 379	1 436
At amortized cost	57	66
	1 436	**1 502**

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3	2
Bank balances	701	574
Short-term cash deposits	-	-
	704	576
Bank overdraft	(2 105)	-
	(1 401)	**576**
Current assets	704	576
Current liabilities	(2 105)	-
	(1 401)	**576**

The Group has an overdraft facility in the amount of ZAR23.0 million ($2.1 million) available for its operations which has been utilized. This facility has an interest cost of prime (currently 9.5% per annum) plus 5.0%. The security for the ZAR27.0 million overdraft facility includes joint suretyship limited to ZAR31.0 million, by Rockwell Resources RSA Proprietary Limited and HC van Wyk Diamonds Limited, suretyship by Rockwell Diamonds Inc. limited to ZAR38.0 million, a notarial special covering bond over moveable assets for ZAR40.0 million and cession of Saxendrift Mines Proprietary Limited's book debts. Renewal of the Group's overdraft facility is currently in the process of negotiation, and the Group expects to negotiate an extension on substantially similar terms, with some modest pay-down over the coming year. Such terms are not yet settled and may change.

Amounts in Canadian Dollars ('000)

7. Assets and liabilities held for sale

On March 30, 2015, the Company announced that it had reached an agreement to sell its non-core Tirisano Project ("Tirisano") in the North West Province of South Africa for a cash consideration of ZAR60 million ($6.2 million). The property had previously been identified as a non-core asset and a sale process was initiated. After evaluating a number of proposals as part of the sale process, the Company reached an agreement with a consortium made up of the royalty miners ("the Consortium"), who have operated at Tirisano for the past two years. The Consortium signed an agreement on 27 March 2015 to acquire the entire issued share capital, together with claims on loan account in Rockwell's 100% owned subsidiary, Etruscan Diamonds Proprietary Limited including the Tirisano mining right and its associated infrastructure. Accordingly these assets and liabilities were presented as a disposal group held for sale at February 28, 2015.

The sale was effective March 27, 2015 and is expected to close within 12 months, after the successful completion of suspensive conditions, including required regulatory approvals, which have now been received. The cash consideration will be settled by way of two initial payments totaling ZAR20 million ($2.06 million), already received in Q1 2016, followed by 20 equal monthly instalments of ZAR2 million ($0.21 million), of which seven have been received to date.

As at 28 February 2015 the disposal group was stated at the impaired carrying amount being the lower of carrying amount or fair value less costs to sell (Level 1 of the fair value hierarchy) and was included within the North West for operating segment reporting purposes (refer note 27). An impairment of $2.6 million was calculated on the mineral property value based on the difference between the selling price of ZAR60 million ($6.4 Million) and the net carrying value.

The disposal of the Tirisano Project was not considered to be a discontinued operation. Although regarded as a separate segment it was not considered to represent a separate line of business or geographical area.

Assets and liabilities of Tirisano

Assets held for sale	
Mineral property interests	8 000
Property, plant and equipment	1 448
Investments and deposits	1 664
Rehabilitation deposits	84
Inventory	457
Trade and other receivables	1 096
Cash and cash equivalents	776
	13 525
Liabilities of disposal groups	
Loans and borrowings	3 697
Rehabilitation obligation	2 117
Trade and other payables	1 606
	7 420

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	As at 30 November 2015	As at 28 February 2015

8. Sale of subsidiary

The consortium (refer note 7) assumed control of Tirisano on March 28, 2015, and therefore the Group accounted for the sale as of that date. The cash consideration will be settled by way of two initial payments totaling ZAR20 million ($1.8 million), already received in Q1 2016, followed by 20 equal monthly instalments of ZAR2 million ($0.18 million), of which 7 have been received to date. Therefore as at November 30, 2015, ZAR26 million ($2.4 million) was outstanding on the sale price.

Carrying value of assets sold

Property, plant and equipment	1 417
Mineral property interests	8 000
Rehabilitation obligation	(2 072)
Rehabilitation deposits	1 739
Trade and other receivables	1 142
Trade and other payables	(238)
Loans and borrowings	(3 720)
Loan to related party	8
Outside shareholders	1 678
Net assets sold	7 954
Loss on disposal	(1 774)
	6 180

Consideration received

Cash	3 410
Deferred consideration	2 770
	6 180

9. Share capital

Reconciliation of number of shares issued:

	Number of shares	Number of shares
Beginning of period	54 558 244	53 523 244
Shares issued to employees (note 8)	-	960 000
Share options exercised	-	75 000
End of period	**54 558 244**	**54 558 244**

The Company's authorised share capital consists of an unlimited number of common shares, without par value, and an unlimited number of preference shares without par value, of which no preference shares have been issued. The directors have the authority to issue shares, up to 10% of shares currently in issue, without shareholders' approval.

Share capital is shown net of share issuance cost. The issuance cost amounted to $Nil million (28 Feb 2015: $0.01 million).

The following shares are reserved for issue:

- Employee share options 3,084,011.

Amounts in Canadian Dollars ('000)

10. Share-based payments

Employee share-based payments

The Group has a share-based payment plan approved by the shareholders that allows the Group to grant options for up to 10% of the Company's shares in issue at any point in time, typically vesting over two years, to its directors, employees, officers, and consultants. The Company determines the exercise price using an historic volume weighted average which could differ from the closing price on the grant date. Share options have a maximum term of five years and typically terminate 90 days following the termination of the option holder's employment, except in the case of retirement or death, which terminate one year thereafter.

The Group uses the Black-Scholes option pricing model to estimate a fair value for these options at grant date. This model requires inputs such as expected volatility, expected life to exercise, and interest rates. Changes in any of these inputs could cause a significant change in the share-based payment expense charged in a period.

All options are to be settled by physical delivery of shares.

Included under share capital (note 9) are issues to employees and consultants.

Share-based payment expenses:

	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2014	9 months ended 30 November 2014
Share options granted in prior years	9	59	(87)	84
Share options granted in current year	-	-	13	13
Total share-based payment cost expensed to operations, with the offset credited to share-based payment reserve	**9**	**59**	**(74)**	**97**

Amounts in Canadian Dollars ('000)	As at 30 November 2015	As at 28 February 2015
11. Loans and borrowings		
Held at amortized cost		
Daboll loan	-	1 967

On 2 June 2011, the Group signed a Convertible Loan Agreement with Daboll Consultants Limited to lend the Group $2 million.

Prior to 26 June 2015 the loan was repayable at the election of the borrower.

The loan was convertible into common shares of the Company at the option of Daboll Consultants Limited during 21 calendar days prior and up to 26 June 2015. The loan and interest were not converted and became payable on demand post 26 June 2015.

The loan bears interest at 5% p.a. payable each calendar quarter, and any unpaid interest is compounded annually.

The loan was repaid in full on 31 August 2015, following agreement with Daboll to offset the liability against beneficiation proceeds owing to Rockwell.

Convertible debentures	1 188	4 173

On November 19, 2014 Rockwell completed an offering of two-year unsecured convertible debentures in a principal amount of $4.1 million with two insiders, namely Rockwell's principal shareholder Daboll Consultants Ltd, an affiliate of Diacore, ($3 million) and with Mark Bristow, Rockwell's non-executive chairman ($1.1 million) in three instalments up to January 23, 2015.

The debentures bear interest at a rate of 5% p.a. and will become convertible, subject to the prior approval of the disinterested minority shareholders, into the same equity securities as may be issued in any equity financings completed by the Company within the first 12 months after the debentures are issued, at the undiscounted, five day volume weighted average price ("VWAP"). If no equity financings were completed, then the debentures could be converted into common shares, at the option of the debenture holder, anytime in the second 12 months, at a 10% discount to the equity financing price not to exceed a discount of more than 25% from the VWAP (where the Company's share trade at $0.50 or less and 20% discount from VWAP if above $0.50).

The total offering was reduced by $0.3 million to avoid exceeding the allowable amount for the exemption from the requirement to obtain prior minority shareholder approval under Multilateral Instrument 61-101. Separate demand loan agreements were executed for this amount on similar terms to the convertible debentures, and are included in the above total (Daboll Consultants Limited - $0.2 million and Mark Bristow - $0.09 million).

As a condition for entering the Bridging loan agreement with Diacore below, the Daboll convertible debenture (including the demand loan) above in the amount of $3,104 has been extinguished in exchange for a loan payable upon maturity of the Diacore bridging loan, and is now included in the amended bridging loan total.

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	As at 30 November 2015	As at 28 February 2015
11. Loans and borrowings (continued)		
Credit facilities	25 521	-

Bridging loans were obtained from Diacore (via Ascot Diamonds Proprietary Limited) ($20.4 million) and Mark Bristow ($1.8 million) in order to meet the transaction financing requirements for the acquisition of Bondeo 140 cc.

The total loans amounted to US$16.5 million plus ZAR16 million, of which US$1.5 million was advanced by Mark Bristow and US$15.0 plus ZAR16 million advanced by Diacore.

The initial term of the two loans were for a period of three months ("first period"), extendable for a further month if the Company called a shareholder meeting to approve any required amendments to the loan; Interest was payable at 1.25% per month for the first period of three months. There were no broker's or similar fees associated with these two transactions.

The Company renegotiated these loans during Q2 2016, and upon shareholders' approval two new loans commencing on October 1, 2015, were settled, each with the following terms:

- A term of at least 24 months
- Interest payable every 6 months at US - 6 month Libor rate plus a margin of 1 000 basis points
- To be repaid through a sweep mechanism linked to sales revenues (currently 7.5%), paid prorate to Diacore and Emerald in proportion to the ratio of the original two loan principal balances.
- The issue of three year warrants to Ascot (18,952,316) and Emerald (2,362,924).

The total loan amounts are secured by a first security charge over movable assets, including those acquired in note 16, and cession of shares in subsidiary companies.

	As at 30 November 2015	As at 28 February 2015
	26 709	**6 140**
Non-current liabilities		
At amortized cost	23 474	3 844
Current liabilities		
At amortized cost	3 235	2 296
	26 709	**6 140**

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	As at 30 November 2015	As at 28 February 2015
12. Deferred tax		
Deferred tax liability		
Mineral property interests	(5 289)	(2 743)
Property, plant and equipment	(1 023)	(2 270)
	(6 312)	(5 013)
Deferred tax asset		
Rehabilitation obligation	965	973
Tax loss recognized	1 666	1 024
Other	114	21
	2 745	2 018
	(3 567)	**(2 995)**
Reconciliation of net deferred tax liability		
At beginning of the period	(2 995)	(5 926)
Foreign exchange movement	344	(60)
Recognized through statement of financial performance	2 112	2 991
Acquisition of subsidiary and business combination (note 16)	(3 028)	-
	(3 567)	**(2 995)**

Judgements and estimates used in recognition of deferred tax asset

Deferred tax assets are raised only to the extent that future taxable income will be available against which the deferred tax asset can be set off. Management estimates future taxable income using forecasts based on the best available current information.

Amounts in Canadian Dollars ('000)

13. Rehabilitation obligation

Reconciliation of obligation - 30 November 2015

	Opening balance	Rehabilitation obligation recognised / (revised)	Foreign exchange movements	Acquisition of subsidiary (note 16)	Closing balance
Rehabilitation obligation	5 987	121	(917)	966	6 157

Reconciliation of obligation - 28 February 2015

	Opening balance	Rehabilitation obligation recognised / (revised)	Foreign exchange movements	Transfer to non-current liabilities held for sale (note 7)	Unwinding	Closing balance
Rehabilitation obligation	6 459	993	293	(2 117)	359	5 987

Amounts in Canadian Dollars ('000)

13. Rehabilitation obligation (continued)

Estimated rehabilitation costs, which are based on the Group’s interpretation of current environmental and regulatory requirements, represent the present value of the expected future costs to rehabilitate the mine properties during and at termination of mining operations. The estimated costs of rehabilitation are reviewed quarterly and adjusted as appropriate for changes in legislation, technology or other circumstances.

Based on current environmental regulations and known rehabilitation requirements, management has included its best estimate of these obligations in its rehabilitation provision based on professional surveys of the environmental disturbance.

The ultimate rehabilitation will be financed from existing funds and policies invested for this purpose, ongoing contributions as well as the proceeds on sale of assets and metal from plant clean-up at the time of the mine closure. The expected timing of the cash flows in respect of the provisions is dependent on the mineral property award and/or the Life of Mine. Rehabilitation of disturbed areas, at the operating Northern Cape mines, is performed on a continuous basis. Rehabilitation of disturbed areas where the alluvial open-cast bench mining process is followed and the non-operating Northern Cape mines will be performed when the mining operations cease. However, it is reasonably possible that the Group’s estimates of its ultimate rehabilitation liabilities could change as a result of changes in regulations or cost estimates. The following key assumptions were used in estimating the rehabilitation obligation and has been consistently applied from the prior year:

Discount period:	2.5 - 9 years (End of life of mine)
South African discount rate:	9%
South African inflation rate:	6%

As required by regulatory authorities, at 30 November 2015, the Group had cash rehabilitation deposits totaling $2.0 million (28 February 2015 – $3.4 million) comprised of $1.4 million (28 February 2015 – $3.4 million) for the Wouterspan mine, $Nil (28 February 2015 – $Nil) for the Saxendrift mine and $0.6 million (28 February 2015 – $Nil million) for the Remhoogte and Holsloot mine. These deposits are invested in interest bearing and money market linked investments. These investments have been pledged as security in favour of the guarantees the bank issued on behalf of the Group (refer to note 5).

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	As at 30 November 2015	As at 28 February 2015

14. Related party balances

Balances payable		
Seven Bridges Trading (a)	9	5
Gump Mining (f)	154	157
Current balances payable	163	162
Loans from related parties	**163**	**162**

All the above named loans are unsecured, interest free and have no fixed terms of repayment and are therefore disclosed as current.

Balances receivable		
Mogopa Minerals (c)	-	8
Current balances receivable	-	8
Loans to related parties	-	8

These loans represent working capital loans and are therefore disclosed as current.

Loans and borrowings include the following amounts due to related parties		
Daboll (d) - convertible loan	-	1 967
Daboll (d) - convertible debenture	-	2 789
Daboll (d) - demand loan	-	239
Diacore (e) - amended bridging loan	23 489	-
Emerald (g) - convertible debenture	1 094	1 055
Emerald (g) - demand loan	94	90
Emerald (g) - amended bridging loan	2 033	-
Receivables from related party included under trade and other receivables		
Diacore (e)	1 572	2 891

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2014	9 months ended 30 November 2014
15. Related party transactions				
Related party transaction for the 9 months and 3 months ended 30 November 2015 (9 months and 3 months ended 30 November 2014)				
Services rendered and expenses reimbursed:				
Seven Bridges Trading (a)	12	36	11	34
Mogopa Minerals (c)	-	12	33	87
Flawless Diamonds Trading House (b)	24	238	200	499
Sales rendedered to:				
Sale of diamonds - Diacore (e)	6 376	24 782	10 719	26 344
Beneficiation income - Diacore (e)	155	9 814	1 427	9 515
Finance costs include the following amounts paid to related parties:				
Daboll (d)	37	162	25	75
Diacore (e)	594	1 357	-	-
Emerald (g)	103	189	-	-

All related party transactions are calculated at arm's length transaction values in the normal course of business.

(a) Seven Bridges Trading 14 Proprietary Limited ("Seven Bridges Trading") is a wholly-owned subsidiary of Randgold Resources Limited, a public company where Dr. D M Bristow, a director of the Company, serves in an executive capacity. Seven Bridges Trading provides administrative and management services.

(b) Flawless Diamonds Trading House Proprietary Limited (“Flawless Diamonds Trading House”) is an associated company. Flawless is a registered diamond broker which provides specialist diamond valuation, marketing and tender sales services to the Group for a fixed fee of 1% of turnover which is below the market rate charged by similar tender houses.

(c) The Bakwena Ba Mogopa Trust is the beneficial owner of 26% in the Tirisano Mine operation resident in Blue Gum Diamonds Proprietary Limited. This interest is held by Magopa Minerals Proprietary Limited through Magopa Blue Gum Proprietary Limited. As the landowner, surface rentals are paid to the Trust, while business and support services are paid to Magopa Minerals for shareholder relations and related services.

(d) Daboll Consultants Limited ("Daboll") owns 19% shares in the Company and is considered a related party. Daboll has convertible loan and convertible debenture agreements with the Company at market related terms.

(e) Diacore Diamond Group (“Diacore”) is the holding company of Daboll and is the Company’s strategic beneficiation partner, with plus 2,8 carat sized diamonds being acquired by Diacore through the diamond trading house for beneficiation. The Group and Diacore participate equally in the retail profit from the sale of its stones, after polishing and finishing.

(f) Gump Mining Proprietary Limited ("Gump Mining") owns a 50% interest in Gumrock Mining Proprietary Limited, a subsidiary company.

(g) Emerald Holdings Limited ("Emerald") is an investment company in which Dr. D M Bristow, a director of the Company, has a financial interest.

Amounts in Canadian Dollars ('000)

16. Acquisition of subsidiary and business combination

16.1. Business combination

On June 25, 2015, Rockwell announced the closing of the Bondeo 140 cc acquisition ("Steyn Transaction"), and assumed control on May 28, 2015. All required approvals and bridging finance have been secured to end of August 2015.

The transaction was effective May 28, 2015, and all acquisition entries were accounted for in Q1 2016. From a practical point of view, the 3 days of operations to end May 2015 are accounted for in Q2 2016, and were not considered material to the Q1 2016 results of Rockwell.

The acquisition was accounted for as an acquired business in terms of IFRS 3: Business Combinations. The fair values are provisional and not yet finalised.

The movable assets acquired have been included in a first security charge securing the two bridging loans from Diacore and Emerald as disclosed in note 11.

The following summarises the fair value of assets and liabilities acquired	
Mineral property interests	12 151
Property, plant and equipment	13 385
Deferred tax	(3 113)
Rehabilitation deposits	724
Rehabilitation obligation	(994)
Other liabilities	(99)
Total identifiable net assets	**22 054**
The Group financed the purchase consideration through	
Cash	(513)
Bridging loan - Diacore (paid directly by vendor to seller)	(20 346)
Bridging loan - Emerald	(1 195)
	(22 054)
Net cash outflow on acquisition	
Cash consideration paid	(1 708)

16.2. Acquisition of subsidiary

As part of the Steyn Transaction, Rockwell acquired 100% of the share capital in Pioneer Minerals Proprietary Limited ("Pioneer"), an unlisted entity, for an amount of $6.2 million. Pioneer owns the mining right in the Remhoogte property.

The $6.2 million is included in the Mineral property interests above.

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2014	9 months ended 30 November 2014
17. Cash generated from (utilised by) operations				
Loss before taxation	(10 488)	(15 472)	(6 371)	(7 294)
Adjustments for:				
Depreciation and amortisation	1 896	5 611	1 582	4 965
(Profit) loss on disposal of property, plant and equipment	-	(11)	4	258
Loss (profit) on disposal of mineral property interests	4	(161)	-	-
Reclamation obligation recognized	56	121	-	-
Share of profit from equity accounted investment	(31)	(122)	173	88
Finance income	(78)	(127)	(8)	(274)
Finance costs	875	2 216	573	610
Net rehabilitation obligation	-	-	99	340
Loss on sale of subsidiary	79	1 853	-	-
Share-based payment expense	9	59	(74)	97
Foreign exchange loss	1 995	4 818	-	-
Realized foreign exchange with sale of subsidiary	-	(1 276)	-	-
Write down to net realizable value of diamond inventories	1 365	29	6	6
Shares issued to employees expense	-	-	347	347
Changes in working capital:				
Inventories	(1 119)	(1 444)	4 201	(1 525)
Trade and other receivables	5 037	888	(2 105)	865
Trade and other payables	795	2 115	(1 131)	1 402
Net cash from operations	**395**	**(903)**	**(2 704)**	**(115)**
18. Tax paid				
Balance at beginning of the period	35	37	35	36
Foreign exchange movement	(3)	(5)	-	(1)
Balance at end of the period	(32)	(32)	(35)	(35)
	-	**-**	**-**	**-**

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2014	9 months ended 30 November 2014

19. Revenue

Sale of diamonds	6 913	27 459	17 430	41 361
Beneficiation income	155	9 814	1 427	9 515
	7 068	**37 273**	**18 857**	**50 876**

Beneficiation income represents a profit share on the beneficiation value add through cutting and polishing, arising through the Group's agreement with Diacore. The Group is entitled to 50% of the profits from the sale of the polished diamonds produced by the Group and sold through this channel. The beneficiation income is recognized on the date Diacore notifies the Group of the sale of beneficiated diamonds to third parties.

20. Cost of sales before amortization and depreciation

Mining	6 357	18 259	5 261	14 101
Employee cost	2 147	7 111	2 949	7 558
Processing	742	2 311	1 225	3 556
Contract mining	(45)	2 105	2 012	5 672
Other	2 113	5 710	2 755	6 460
Royalties	(2)	101	81	454
Production cost	**11 312**	**35 597**	**14 283**	**37 801**
Royalty mining	(12)	932	5 450	11 705
Inventory movement	856	(233)	2 359	(851)
	844	**699**	**7 809**	**10 854**
	12 156	**36 296**	**22 092**	**48 655**

21. Loss before net finance costs

Loss before net finance costs for the period is stated after accounting for the following:

Loss (profit) on sale of property, plant and equipment	-	11	-	(258)
(Profit) loss on sale of mineral property interests	(4)	161	-	-
Depreciation on property, plant and equipment	1 505	4 364	1 357	4 334
Amortisation on mineral property interests	391	1 247	225	631
Salaries and wages	(549)	1 221	829	1 770
Share-based payment expense	9	59	(74)	97
General, administration and business development expenses				-
- General and administration expenses	732	3 050	-	-
- Business development expenses	-	944	-	-

22. Finance income

Bank	33	125	74	143
Fair value adjustments on other financial assets	45	2	(66)	131
	78	**127**	**8**	**274**

23. Finance costs

Loans and borrowings	707	1 740	-	-
Finance lease obligation	34	117	25	34
Bank	91	238	198	576
Other	43	121	-	-
	875	**2 216**	**223**	**610**

Notes to the Unaudited Interim Consolidated Financial Statements

Amounts in Canadian Dollars ('000)	3 months ended 30 November 2015	9 months ended 30 November 2015	3 months ended 30 November 2014	9 months ended 30 November 2014

24. Tax expense

Major components of the tax expense

Deferred tax				
Movement in deferred tax balance recognised through profit and loss	(1 162)	(2 112)	(1 621)	(1 407)

25. Loss per share

Basic and diluted loss per share

Basic loss per share				
Cents per share	(17.13)	(24.37)	(8.96)	(10.80)

Basic loss per share was calculated based on a weighted average number of ordinary shares of 54 558 244 for the 3 months ended 30 November 2015 (3 months ended 30 November 2014: 54 427 244) and 54 558 244 for the 9 months ended 30 November 2015 (9 months ended 30 November 2014: 53 819 099).

Reconciliation of loss for the period to basic loss				
Loss for the period	(9 326)	(13 360)	(4 750)	(5 887)
Adjusted for:				
Loss attributable to non-controlling interest	(20)	63	(75)	76
Basic loss attributable to owners of the Group	**(9 346)**	**(13 297)**	**(4 825)**	**(5 811)**

Diluted loss per share is equal to loss per share because there are no dilutive potential ordinary shares in issue.

At 30 November 2015 and 30 November 2014 the impact of share-based payment options were excluded from the weighted average number of shares as the effect would have been anti-dilutive.

Basic and diluted headline loss per share

Headline loss per share (cents)	(17.14)	(23.77)	(8.87)	(10.32)
Reconciliation between basic loss and headline loss				
Basic loss attributable to owners of the Group	(9 346)	(13 297)	(4 825)	(5 811)
Adjusted for:				
Profit on disposal of assets	(11)	(11)	-	-
Loss (profit) on disposal of mineral property	4	(161)	-	-
Realized foreign exchange with sale of subsidiary	-	(1 276)	-	-
Loss on sale of property, plant and equipment	-	-	-	258
Loss on sale of subsidiary	-	1 774	-	-
Headline loss attributable to owners of the Group	**(9 353)**	**(12 971)**	**(4 825)**	**(5 553)**

The basic and diluted headline loss per share disclosure is provided based on the listing requirements of the Johannesburg Stock Exchange (Group's secondary listing). The disclosure of basic and diluted headline loss per share is provided in accordance with Circular 2/2013 as issued by the South African Institute of Chartered Accountants. Headline loss represents the basic loss attributable to the owners of the Group excluding certain remeasurements.

At 30 November 2015 and 30 November 2014 the impact of share-based payment options were excluded from the weighted average number of shares, for the purpose of the diluted headline loss per share calculation, as the effect would have been anti-dilutive.

Amounts in Canadian Dollars ('000)

26. Contingent liabilities

HC van Wyk Diamonds Limited and Saxendrift Mine Proprietary Limited held guarantees in favour of Eskom (Electricity Provider) of ZAR5,615 ($560) and the Department of Minerals and Energy (DME) of ZAR45,367 ($4,528) towards rehabilitation expenses.

27. Carrying amount and fair values of financial instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values are only indicators of the prices that may actually be realised for these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The following tables show the estimated fair values of the financial instruments:

	30 November 2015 - Carrying amount	30 November 2015 - Fair value	28 February 2015 - Carrying amount	28 February 2015 - Fair value
Assets carried at fair value				
Investments	1 379	1 379	1 436	1 436
Assets carried at amortized cost				
Deposits	57	57	66	66
Rehabilitation deposits	2 043	2 043	3 376	3 376
Trade and other receivables	5 089	5 089	4 015	4 015
Cash and cash equivalents	704	704	576	576
Loans to related parties	-	-	8	8
Liabilities carried at amortized cost				
Loans and borrowings	26 709	26 709	6 140	6 140
Trade and other payables	7 342	7 342	6 568	6 568
Finance lease obligations	1 254	1 254	1 984	1 984
Loans from related parties	163	163	162	162
Bank overdraft	2 105	2 105	-	-

The following table illustrates the classification of the Group's financial instruments recorded at fair value within the fair value hierarchy:

Financial assets at fair value - 30 November 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments	1 379	-	-	1 379
Financial assets at fair value - 28 February 2015				
Investments	1 436	-	-	1 436

The financial assets designated at fair value through profit or loss are investments that would otherwise be classified as available for sale. The performance of these investments are managed on a fair value basis.

Amounts in Canadian Dollars ('000)

28. Subsequent events

$3,235 of convertible debentures and credit facilities were refinanced during December 2015 for a period of 24 months.

The Company has conducted an in-depth strategic and operational review of the business to assess its strategic direction, including its commitment to processing 500,000m3 per month from its MOR operations and undertake significant restructuring to place the business on a sustainable footing. The review included an analysis of management, operational and reporting structures and at the same time identifying overhead and operational cost reductions with the aim of achieving sustainable cash flow going forward. The review will result in substantial restructuring involving, inter alia, downsizing of the workforce, transfer of its head office to the Mines and closure of its Saxendrift operation by the end of February 2016.

Apart from the above management is not aware of any matter or circumstance arising since the end of the financial year period, requiring amendment to the amounts and disclosures in these financial statements.

29. Segmental information

The Group has three reportable operating segments, as described below, which are the Group's operating divisions. These divisions offer different diamond product characteristics, qualities, geological characteristics, processes and services, and are managed separately because they require different technology and profit or cost strategies. For each of the divisions the Group executive committee (chief operating decision making body) reviews internally managed reports on at least a monthly basis.
The following describes the operations in each of the Group's reportable segments:

- Northern Cape operation is associated with the mining of Paleo Channels and Rooikoppie gravels and the recovery of high value and larger carat size diamonds;
- North West operation is associated with the mining of potholes and the recovery of lower value and smaller carat size diamonds; and
- Corporate represents the corporate management and administrative function of the Group.

The reconciliation column represents the inter group transactions eliminated on consolidation. All reportable segments are located in the same geographical jurisdiction. Information regarding the results of each of the reportable segments is included below.

For the 9 months ended 30 November 2015

	Northern Cape	North West	Corporate	Reconciling	Total
Total assets	58 243	-	58 817	(46 677)	70 383
Total liabilities	71 637	-	27 854	(46 677)	52 814
External revenue	36 208	1 065	-	-	37 273
Loss for the period	(5 708)	(14)	(7 638)	-	(13 360)

For the 9 months ended 30 November 2014

	Northern Cape	North West	Corporate	Reconciling	Total
Total assets	54 090	16 119	72 248	(65 183)	77 274
Total liabilities	73 064	22 798	4 807	(65 183)	35 486
External revenue	37 273	13 603	-	-	50 876
Loss for the period	(4 410)	(318)	(1 159)	-	(5 887)