

FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Premier Diamond Corp. (“Premier”)
3004 Ogden Road S.E.
Calgary, Alberta T2G 4N5

2. **Date of Material Change**

March 28, 2007 (with an effective date of March 22, 2007).

3. **News Release**

A press release was disseminated on March 30, 2007 via CCNMatthews.

4. **Summary of Material Change**

Premier entered into a sponsor agreement with Blackmont Capital Inc. and Mexican Silver Mines (Guernsey) Limited (“Mexican Silver”).

5. **Full Description of Material Change**

Premier entered into a sponsor agreement with Blackmont Capital Inc. and Mexican Silver pursuant to which Blackmont Capital Inc. has agreed, subject to completion of satisfactory due diligence, to act as sponsor with respect to the Proposed Transaction pursuant to the Policies of the TSX Venture Exchange. An agreement to act as sponsor should not be construed as any assurance with respect to the merits of the Proposed Transaction or the likelihood of completion. A copy of the sponsor agreement is attached as Schedule A.

6. **Reliance on Section 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

7. **Omitted Information**

Not Applicable

8. **Executive Officer**

The name and business number of the executive officer of Premier Diamond Corp. who is knowledgeable about the material change and this report is:

Feisal Somji- President & Director
Telephone: (403) 236-5089

9. **Date of Report**

March 27, 2007

Schedule A

SPONSORSHIP AGREEMENT

THIS AGREEMENT, dated for reference March 22, 2007 is made

BETWEEN:

PREMIER DIAMOND CORP., a company incorporated pursuant to the laws of British Columbia, having an office in the City of Calgary, Alberta,

(the "**Company**" or "**Premier**")

AND:

BLACKMONT CAPITAL INC., a corporation incorporated under the laws of the Province of Ontario, having an office in the City of Calgary, Alberta,

(the "**Sponsor**")

AND

MEXICAN SILVER MINES (GUERNSEY) LIMITED, a company incorporated pursuant to the laws of Guernsey, having an office at Farnley House, La Charnoterie, St. PeterPort, Guernsey

(the "**Target Business**" or "**MSM**")

WHEREAS:

- A. The Company proposes to enter into a transaction (the "**Transaction**") to acquire Target Business;
- B. The Transaction will be a reverse takeover of the Company pursuant to the Policies of NEX and the TSXV Venture Exchange requiring a sponsor under, respectively, Policy 5.2 ("**Reverse Take-Overs**") and Policy 2.2 (Sponsorship and Sponsorship Requirements) of the TSX Venture Exchange; and
- C. The Company wishes to retain the Sponsor to sponsor the Company's listing on the TSX Venture Exchange in connection with the Transaction and the Sponsor is willing to accept the appointment, subject to the terms and conditions of this Agreement.

THE PARTIES to this Agreement therefore agree:

1. DEFINITIONS

1.1 In this Agreement:

- (a) "**Acts**" means the B.C. Act and the Alberta Act;

- (b) "**Alberta Act**" means the *Securities Act* (Alberta) and the rules and regulations prescribed thereunder, and all policy statements, blanket orders, notices, directions, instruments and rulings issued by the ASC, all as amended from time to time;
- (c) "**Approval Date**" means the date the Exchange gives notice that it has accepted for filing all documentation relating to the Transaction;
- (d) "**ASC**" means the Alberta Securities Commission;
- (e) "**B.C. Act**" means the *Securities Act* (British Columbia) and the rules and regulations prescribed thereunder and all policy statements, blanket orders, notices, directions, instruments and rulings issued by the BCSC, all as amended from time to time;
- (f) "**BCSC**" means the British Columbia Securities Commission;
- (g) "**Circular**" means the information circular dated on or about March 22, 2007, including all schedules thereto, to be mailed to the Premier shareholders;
- (h) "**Commissions**" means the ASC and the BCSC;
- (i) "**Disclosure Documents**" means the Circular and the MSM Report;
- (j) "**Exchange**" means, collectively, as applicable, the TSX Venture Exchange Inc. and the NEX;
- (k) "**Howe**" means A.C.A. Howe International Limited which includes, the authors of the MSM Report on the MSM Property, Reginald L. Comeau, M.S.C., P. Geo and Robert M. Khehnbaum, M.Sc., P. Geo. ;
- (l) "**MSM Property**" means the La Providencia and Ral properties located in Nuevo León Mexico that is the subject of the MSM Report;
- (m) "**MSM Report**" means the MSM Property Technical Report on the MSM Property prepared by Reginald L. Comeau, M.S.C., P. Geo and Robert M. Khehnbaum, M.Sc., P. Geo, of Howe dated effective January 14, 2007;
- (n) "**NEX**" means the board of the Exchange known as "NEX";
- (o) "**Policies**" means the policies, by-laws and Rules of the Exchange;
- (p) "**Regulatory Authorities**" means the Commissions and the Exchange;
- (q) "**Reports**" means any business plans, engineering reports, geological reports, title opinions, technical reports, valuations or similar documents relating to the Target Business and the Property;
- (r) "**Rules**" means the rules of the Exchange, as amended from time to time;
- (s) "**Sponsor Report**" means a report filed by the Sponsor with the Exchange, in accordance with the Policies and the Rules;

- (t) **"Sponsorship Acknowledgement Form"** means the Sponsorship Acknowledgement Form to be filed by the Sponsor with the Exchange, in accordance with the Policies and the Rules;
- (u) **"Target Business"** has the meaning set out in Recital A of this Agreement; and
- (v) **"Transaction"** has the meaning set out in Recital A of this Agreement;

1.2 Unless otherwise indicated, all currency amounts in this Agreement are stated in Canadian dollars.

2. APPOINTMENT OF SPONSOR

2.1 The Company appoints the Sponsor to act as its sponsor and the Sponsor agrees to act as the Sponsor of the Company in accordance with the Policies and Rules and subject to the terms of this Agreement.

2.2 The Sponsor will, subject to the Company complying with the terms of this Agreement, file with the Exchange the Sponsorship Acknowledgement Form and the Sponsor Report at the times and in the form contemplated by the Policies and the Rules. Notwithstanding the foregoing, nothing in this Agreement will oblige the Sponsor to file the Sponsorship Acknowledgement Form or the Sponsor Report with the Exchange, and the Company acknowledges that, in assessing whether the Company is suitable for listing on the Exchange, the Sponsor must take into account a number of subjective factors, the determination of which is in the sole and unfettered discretion of the Sponsor, acting reasonably.

2.3 If the Sponsor determines in its judgment that particular experience or technical expertise is necessary for the Sponsor to carry out its obligations under this Agreement in accordance with the Policies and the Rules, then the Sponsor may, at the Company's expense and with the Company's written consent, engage third party experts to prepare assessment or technical reports relating to the Company and the Target Business.

2.4 Any engagement of a third party made by the Sponsor pursuant to subsection 2.3 is subject to carrying out the services in full compliance with all applicable securities laws, the responsibility for which rests solely with the Sponsor, and no such engagement will relieve the Sponsor from its obligations under this Agreement.

3. FEES

3.1 The Company will pay to the Sponsor a fee in the amount of \$45,000, plus GST ("Sponsorship Fee") and all expenses as provided in section 9 of this Agreement.

3.2 The Sponsor acknowledges receipt of a non-refundable deposit of \$24,075 (\$22,500 plus GST) against payment of the Sponsorship Fee.

3.3 The balance of the Sponsorship Fee payable under subsection 3.1 will be paid by the Company to the Sponsor prior to the delivery by the Sponsor to the Exchange of its preliminary Sponsor Report.

3.4 The amounts paid to the Sponsor under this section are in addition to and not in substitution for any other commission or remuneration payable to the Sponsor by the Company under any other agreement or arrangement and once paid by the Company to the Sponsor are non-refundable in the event that the Transaction is not completed or this Agreement is terminated.

4. COMPANY AND TARGET BUSINESS OBLIGATIONS

4.1 The Company will draft the Disclosure Documents in form and substance satisfactory to the Sponsor and will file the Disclosure Documents with the Exchange, together with all other required documents, for the purpose of having the Disclosure Documents and the Transaction accepted for filing by the Exchange.

4.2 The Company and the Target Business will, if they have not already done so, send the following to the Sponsor and its legal counsel:

- (a) the draft Disclosure Documents;
- (b) copies of all Reports which are available, in draft if such Reports have not been finalized including the MSM Report on the MSM Property;
- (c) copies of all material contracts entered into by the Company and the Target Business;
- (d) all other information, documentation or records reasonably requested of the Company or Target Business by the Sponsor and its legal counsel.

4.3 The Company and Target Business will immediately send to the Sponsor and the Sponsor's legal counsel copies of all correspondence and filings to and correspondence from the Regulatory Authorities relating to the Transaction and the Target Business.

5. OPINIONS AND CERTIFICATES

5.1 If the Sponsor is required to sign certificate pages for the Circular, in accordance with the policies of the Exchange, certifying the accuracy of the disclosure in such Circular, then prior to the Sponsor signing the certificate pages the Company or the Target Business, as applicable, will deliver or will cause to be delivered to the Sponsor and its legal counsel:

- (a) a certificate of the Company in substantially the form attached to this Agreement as Schedule A-1, dated as of such date requested by the Sponsor and signed by the chief executive officer and the chief financial officer of the Company, or by such other officers approved by the Sponsor, certifying certain facts relating to the Company, its affairs and the contents of the Disclosure Documents, as such contents of the Disclosure Documents relate to the Company; and
- (b) a certificate of the Target Business in substantially the form attached to this Agreement as Schedule A-2, dated as of such date requested by the Sponsor and signed by the chief executive officer and the chief financial officer of the Target Business, or by such other officers approved by the Sponsor, certifying certain facts relating to the Target Business, its affairs and the contents of the Disclosure Documents, as such contents of the Disclosure Documents relate to the Target Business.

5.2 Prior to the Sponsor signing and filing the final Sponsor Report with the Exchange, the Company will deliver or will cause to be delivered the following documents to the Sponsor and its legal counsel:

- (a) a certificate of the Company in substantially the form attached to this Agreement as Schedule A-1, dated as of such date requested by the Sponsor and signed by the chief executive officer and the chief financial officer of the Company, or by such other officers approved by the Sponsor, certifying certain facts relating to the Company, its affairs and the contents of the Disclosure Documents; and
- (b) an opinion of counsel for the Company, acceptable to the Sponsor and its counsel acting reasonably, dated as of such date requested by the Sponsor addressed to the Sponsor and its counsel relating to any legal matter in connection with the Company and the Transaction for which the Sponsor may reasonably request an opinion.

5.3 Prior to the Sponsor signing and filing the final Sponsor Report with the Exchange, the Target Business will deliver or will cause to be delivered the following documents to the Sponsor and its legal counsel:

- (a) a certificate of the Target Business in substantially the form attached to this Agreement as Schedule A-2, dated as of such date requested by the Sponsor and signed by the chief executive officer and the chief financial officer of the Target Business, or by such other officers approved by the Sponsor, certifying certain facts relating to the Target Business, its affairs and the contents of the Disclosure Documents; and
- (b) an opinion of counsel for the Target Business, acceptable to the Sponsor and its counsel acting reasonably, dated as of such date requested by the Sponsor addressed to the Sponsor and its counsel relating to any legal matter in connection with the Target Business and the Transaction for which the Sponsor may reasonably request an opinion.

5.4 The Company or Target Business as the case may be will also deliver or cause to be delivered any other certificates, comfort letters or opinions in connection with any matter relating to the Transaction or the Disclosure Documents which are reasonably requested by the Sponsor or its legal counsel.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Company represents and warrants to the Sponsor that:

- (a) the Company is a valid and subsisting corporation and in good standing under the laws of the jurisdiction and has all requisite corporate power and authority to carry on its business, as now conducted and as presently proposed to be conducted and to own its assets;
- (b) the minute books of the Company as provided to the Sponsor's counsel are true, correct and materially up-to-date and contain the minutes of all meetings and all other resolutions of directors, shareholders and partners, as the case may be, of the Company;
- (c) the Company is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property;

- (d) the authorized capital of the Company consists of 100,000,000 common shares with no par value, of which 3,015,154 common shares are currently issued and outstanding as fully paid and non-assessable;
- (e) the Company has made available to Howe, prior to the issuance of the MSM Report, for the purpose of preparing the MSM Report, all information requested by Howe and no such information contains any misrepresentation. The Company does not have any knowledge, having made due inquiry, of a material adverse change in any production, cost, price, reserves or other relevant information provided to Howe since the dates that such information was so provided;
- (f) the MSM Report accurately and completely sets forth all material facts relating to the properties, claims, concessions or any other rights that are subject to the MSM Property;
- (g) since the date of preparation of the MSM Report, there has been no change of which the Company is aware, having made due inquiry, that would disaffirm any aspect of the MSM Report in any material respect;
- (h) MSM is "Independent" as such term is defined in NI 43-101 and the Company is not aware, having made due inquiry, of any facts or other information that would suggest otherwise;
- (i) the MSM Report complies with all of the requirements of NI 43-101;
- (j) there are no expropriations or similar proceedings or any material challenges to title or ownership, actual or threatened, against the mining claims and the mining rights which make up the MSM Property in which the Company has an interest or any part thereof;
- (k) the Disclosure Documents are, and the Company will use its best efforts to ensure that the Disclosure Documents will be upon their completion, true and correct in all material respects as such Disclosure Documents relate to the Company;
- (l) the Company is the beneficial owner of its properties, business and assets or its interests in the properties, business or assets referred to in the Disclosure Documents and to the best of its knowledge, its public disclosure documents filed with the Regulatory Authorities under the Acts and all agreements by which the Company holds an interest in its property, business or assets are in good standing according to their terms and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated;
- (m) the Company has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein, and this Agreement has been duly authorized, executed and delivered by the Company and this Agreement is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms subject to laws relating to creditors' rights generally, the availability of equitable remedies and except as rights to indemnity and contribution may be limited by applicable law;
- (n) the financial statements of the Company in the Circular have been prepared in accordance with generally accepted accounting principles in Canada and accurately reflect the financial position of the Company as at the date thereof, and no adverse material change

in the financial position of the Company has taken place since the date thereof, save in the ordinary course of the Company's business;

- (o) except as disclosed to the Sponsor in writing, the Company has complied and will comply fully with the material requirements of all applicable corporate and securities laws, including, without limitation, the Acts;
- (p) other than as disclosed in the Circular, the Company is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and no such actions, suits or proceedings are contemplated or have been threatened;
- (q) other than as disclosed in the Circular, no order ceasing or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued to the Company or to the best of the Company's knowledge, its directors, officers or promoters or to any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened; and
- (r) this Agreement has been authorized by all necessary corporate action on the part of the Company.

6.2 The Target Business represents and warrants to the Sponsor that:

- (a) the Target Business is a valid and subsisting corporation and in good standing under the laws of the jurisdiction and has all requisite corporate power and authority to carry on its business, as now conducted and as presently proposed to be conducted and to own its assets;
- (b) the minute books of the Target's Business as provided to the Sponsor's counsel are true, correct and materially up-to-date and contain the minutes of all meetings and all other resolutions of directors, shareholders and partners, as the case may be, of the Target Business;
- (c) the Target Business is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property;
- (d) the Target Business is the beneficial owner of 99.9% of the issued and outstanding shares of *Materias Primas y Minerales La Iguana S.A. de C.V.*;
- (e) the authorized capital of the Target Business consists of US\$155,000 divided into 15,500,000 shares of US\$0.01 each of which 15,434,782 shares are currently issued and outstanding as fully paid and non-assessable;
- (f) the Target Business has made available to Howe, prior to the issuance of the MSM Report, for the purpose of preparing the MSM Report, all information requested by Howe and no such information contains any misrepresentation. The Target Business does not have any knowledge, having made due inquires of a material adverse change in any production, cost, price, reserves or other relevant information provided to Howe since the dates that such information was so provided;
- (g) the MSM Report accurately and completely sets forth all material facts relating to the properties, claims, concessions or any other rights that are subject to the MSM Property;

- (h) since the date of preparation of the MSM Report, there has been no change of which the Target Business is aware, having made due inquiry, that would disaffirm any aspect of the MSM Report in any material respect;
- (i) MSM is "Independent" as such term is defined in NI 43-101 and the Target Business is not aware, having made due inquiry, of any facts or other information that would suggest otherwise;
- (j) the MSM Report complies with all of the requirements of NI 43-101;
- (k) there are no expropriations or similar proceedings or any material challenges to title or ownership, actual or threatened, against the mining claims and the mining rights which make up the MSM Property in which the Target Business has an interest or any part thereof;
- (l) the Disclosure Documents are, and the Target Business will use its best efforts to ensure that the Disclosure Documents will be upon their completion, true and correct in all material respects, as such Disclosure Documents relate to the Target Business;
- (m) the Target Business is the beneficial owner of its properties, business and assets or its interests in the properties, business or assets referred to in the Disclosure Documents and its public disclosure documents filed with the Regulatory Authorities under the Acts and all agreements by which the Target Business holds an interest in its property, business or assets are in good standing according to their terms and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated;
- (n) the Target Business has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein, and this Agreement has been duly authorized, executed and delivered by the Target Business and this Agreement is a legal, valid and binding obligation of the Target Business, enforceable against the Target Business in accordance with its terms subject to laws relating to creditors' rights generally, the availability of equitable remedies and except as rights to indemnity and contribution may be limited by applicable law;
- (o) the financial statements of MSM in the Circular have been prepared in accordance with generally accepted accounting principles in Canada and accurately reflect the financial position of the Target Business as at the date thereof, and no adverse material change in the financial position of the Target Business has taken place since the date thereof, save in the ordinary course of the Target Business' business;
- (p) except as disclosed to the Sponsor in writing, the Target Business has complied and will comply fully with all material requirements of all applicable corporate and securities laws, including, without limitation, the Acts;
- (q) the Target Business, is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and no such actions, suits or proceedings are contemplated or have been threatened;

- (r) no order ceasing or suspending trading in securities of the Target Business nor prohibiting the sale of such securities has been issued to the Target Business or to the best of the Target Business' knowledge, its directors, officers or promoters or to any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened; and
- (s) this Agreement has been authorized by all necessary corporate action on the part of the Target Business.

6.3 The Sponsor represents and warrants to the Company that:

- (a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated, continued or amalgamated;
- (b) it is qualified to serve as a sponsor pursuant to the Policies and the Rules; and
- (c) it does not own, and prior to the completion of the Transaction will not own, any common shares of the Company.

7. TERM AND TERMINATION

7.1 The term of this Agreement will be from the reference date of this Agreement until the Approval Date, unless earlier terminated or unless extended by the parties in accordance with the terms of this Agreement.

7.2 The Sponsor may terminate its obligations under this Agreement by notice in writing to the Company and the Target Business at any time if:

- (a) an enquiry or investigation (whether formal or informal) or other proceeding in relation to the Company or the Target Business, or their respective directors and officers, is announced, commenced or threatened by an officer or official of any competent authority;
- (b) any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Company or the Target Business is made, or proceedings are announced, commenced or threatened for the making of any such order, by a competent regulatory authority and has not been rescinded, revoked or withdrawn;
- (c) the Sponsor determines that any of the representations or warranties made by the Company or the Target Business in this Agreement is false or has become false;
- (d) the Sponsor is advised that the Exchange will not accept for filing the Disclosure Documents or documentation relating to the Transaction;
- (e) the Company or the Target Business are at any time in material breach of this Agreement;
or
- (f) the Sponsor, in its sole and absolute discretion, is not satisfied, acting reasonably, with the results of its due diligence review of the Company or the Target Business.

7.3 The Company acknowledges and agrees that, if the Sponsor terminates this Agreement, then the Sponsor may disclose to the Exchange such information concerning the Company or the Target Business as the Exchange may request including any information which the Company has disclosed to the Sponsor on a privileged or confidential basis.

7.4 The rights of the Sponsor to terminate this Agreement are in addition to such other remedies as it may have in respect of any default, misrepresentation, act or failure of the Company in respect of any of the matters contemplated by this Agreement.

7.5 Notwithstanding any other term hereof, this Agreement will terminate if:

- (a) the Sponsor declines to file the Sponsor Report with the Exchange within 60 days of the reference date of this Agreement; or
- (b) the Approval Date does not occur within 60 days of the reference date of this Agreement or such later date as the parties hereto may agree in writing.

8. RIGHT OF FIRST REFUSAL

8.1 For a period of one (1) year from the closing of the Transaction (the "**ROFR Period**"), the Sponsor shall be provided with the exclusive right and opportunity to lead any offering of securities of the Company to be issued and sold to the public in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Company is intending to proceed with any such issuance or has received a proposal for any such issuance, the Company shall provide to the Sponsor notice (the "Notice") of the proposed terms thereof (including the commission payable to that agent) and the Sponsor shall have 10 days from receipt of the Notice to respond to the Company that they are desirous of leading, or participating as the case may be, such offering on behalf of the Company on the terms and conditions contained therein. If the Sponsor declines, in writing, the Company may proceed with such offering through another agent or underwriter, provided the arrangements with such agent or underwriter are entered into within 60 days thereafter provided that the Sponsor's right of first refusal contained herein shall nevertheless continue to apply with respect to any future private placement, public offering, provide professional, sponsorship or advisory services mandate, as the case may be, undertaken by the Corporation within the balance of the ROFR Period. It being acknowledged and agreed by the Sponsor that if the Company issues any securities to which the foregoing would apply, but the Company does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance of securities.

9. EXPENSES OF SPONSOR

9.1 The Company will pay all the expenses reasonably incurred by the Sponsor in connection with the services provided by the Sponsor under this Agreement including, without limitation, the fees and expenses of the Sponsor's legal counsel (however the fees, excluding GST and disbursements, of the Sponsor's legal counsel may not exceed \$20,000 without the prior consent of Premier), the fees and expenses of any experts or third parties engaged by the Sponsor, expenses incurred in conducting background checks on the existing or proposed directors, officers and promoters of the Company, long distance telephone, courier, photocopying, fax and similar expenses.

9.2 The Company will pay the expenses referred to in the previous subsection even if the Transaction is not completed or this Agreement is terminated, unless the termination is the result of a breach of this Agreement by the Sponsor.

9.3 The Sponsor may, from time to time, render accounts for its expenses to the Company for payment on or before the dates set out in the accounts.

9.4 The Sponsor acknowledges that it has received a retainer of \$15,000 which will be applied to any expenses incurred by the Sponsor pursuant to this section. The Company agrees to provide such additional retainers to the Sponsor as may reasonably be requested by the Sponsor from time to time.

10. INDEMNITY

10.1 Prior to the Sponsor executing and filing the Sponsor Report with the Exchange, the Company and the Target Business will each deliver to the Sponsor an indemnity in the form attached as Schedule "B" executed by the Company and the Target Business, respectively.

10.2 The indemnity provided for in subsection 10.1 will not be limited or otherwise affected by any other indemnity obtained from any other person in respect of any matters specified in this Agreement and will continue in full force and effect until all possible liability arising out of the transactions contemplated by this Agreement has been extinguished by the operation of law.

11. CONFIDENTIALITY

The Sponsor will establish reasonable procedures to hold in confidence all information received by it from the Company or the Target Business which has not been generally disclosed to the public and will not knowingly disclose such information, except as required in its opinion, acting reasonably, to discharge its obligations:

- (a) under this Agreement; or
- (b) under applicable law or regulatory policy.

12. PUBLIC DISCLOSURE

The Company and Target Business agree that, subject to applicable law and regulatory policies, no public announcement or press release concerning this Agreement or any other instrument related hereto, or the relationship between the Company, Target Business and the Sponsor shall be made without prior consent of the Sponsor, such consent not to be unreasonably withheld.

13. SEVERABILITY

If any provision of this Agreement is found to be illegal or unenforceable, it will be considered separate and severable from this Agreement and the remaining provisions of this Agreement will remain in force and be binding upon the parties as though the illegal or unenforceable provision had never been included.

14. NOTICE

14.1 All notices required to be given under this Agreement must be made in writing and either delivered or sent by telecopier to the party to whom notice is to be given at the address below or at such other address designated by that party in writing:

Blackmont Capital Inc.

440 - 2nd Ave SW
Calgary Alberta
T2P 5E9

Attention: Jeff German, CA, CBV
Fax: (403) 260-5785

with copies to:

Heenan Blaikie LLP

12th Floor, Fifth Avenue Place
425 - 1st Street SW
Calgary, Alberta T2P 3L8

Attention: Peter Soby
Fax: (403) 234-7987

Premier Diamond Corp.

3004 Ogden Road SE
Calgary, AB T2G 4N5

Attention: Feisal Somji, President
Fax: (403) 398-0693

with copies to:

Davis & Company LLP

Suite 3000 Shell Centre
400 - 4th Ave SW
Calgary, AB T2P 0J4

Attention: Daniel E. Kenney
Fax: (403) 213-4460

Mexican Silver Mines (Guernsey) Limited

Farnley House
La Charoterie|
St. PeterPort, Guernsey

Attention: Dr. Roger Norwich
Fax: +44 (0) 1481 713700

with copies to:

Davis & Company LLP
Suite 3000 Shell Centre
400 – 4th Ave SW
Calgary, AB T2P 0J4

Attention: Daniel E. Kenney
Fax: (403) 213-4460

14.2 Notice will be deemed to have been given at the time of transmission or delivery.

15. TIME

Time is of the essence of this Agreement.

16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the Approval Date for a period of two years and will continue in full force and effect for the benefit of the parties, regardless of any due diligence investigation carried out by or on behalf of any party with respect thereto.

17. LANGUAGE

Wherever a singular or masculine expression is used in this Agreement, that expression is deemed to include the plural, feminine or the body corporate where required by the context.

18. ENUREMENT AND ASSIGNMENT

This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns. Notwithstanding the foregoing, this Agreement may not be assigned by either party without the prior written consent of the other party.

19. HEADINGS

The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

20. INTERPRETATION

This Agreement will be interpreted in accordance with the laws of the Province of Alberta.

21. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

PREMIER DIAMOND CORP.

Signed: "Feisal Somji"
Authorized Signatory

MEXICAN SILVER MINES (GUERNSEY) LIMITED

Signed: "Roger Norwich"
Authorized Signatory

BLACKMONT CAPITAL INC.

Signed "Jeff German"
Authorized Signatory

SCHEDULE A-1

OFFICERS' CERTIFICATE

TO: Blackmont Capital Inc.

This certificate is being delivered in connection with the proposed transaction (the "**Transaction**") involving Premier Diamond Corp. (the "**Company**") and Mexican Silver Mines (Guernsey) Limited (the "**Target Business**") and the sponsorship agreement (the "**Agreement**") dated effective March 22, 2007 entered into among the Company, Target Business and Blackmont Capital Inc. (the "**Sponsor**").

All capitalized terms herein and not defined herein shall have the meaning given to such terms in the Agreement.

The undersigned, Feisal Somji and Harry McGucken, acting in our capacities as the Chief Executive Officer and Corporate Secretary, respectively, of the Company and not in our personal capacities, hereby certify to the best of our knowledge, information and belief, after having made due inquiry, that:

1. the Company is the beneficial owner of its properties, business and assets referred to in the Disclosure Documents prepared in accordance with the policies of the Exchange by the Company in connection with the Transaction, and any and all agreements pursuant to which the Company holds any interest in such properties, business and assets are in good standing according to the terms thereof and in full force and effect, and there has not been any default in any obligation to be performed thereunder;
2. the Company's financial statements contained in the Disclosure Documents present fairly and accurately the financial condition of the Company;
3. the Company is not party to a material contract which is not disclosed in the Disclosure Documents and the material contracts disclosed in the Disclosure Documents constitute valid and binding obligations of the parties thereto, enforceable against each of such parties in accordance with their respective terms except as enforcement may be limited by general principles of equity, applicable bankruptcy, insolvency, preference and reorganization laws and other laws generally affecting the enforcement of creditors' rights and the availability of discretionary judicial remedies;
4. other than as disclosed in the Disclosure Documents, there are no actions, suits, proceedings or inquiries pending or threatened against or affecting the Company at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, domestic or foreign, which may in any way materially and adversely affect the Company;
5. other than as disclosed in the Circular, no order ceasing or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued to the Company or its directors, officers or promoters or to any reporting companies that have common directors, officers or promoters and no proceedings for such purposes are pending or threatened;
6. the issuance by the Company of its securities pursuant to the Transaction does not and will not conflict with or result in a breach of or constitute a default under or result in a violation of,

whether after notice or lapse of time or both, any of the terms, conditions or provisions of the constating documents, by-laws or resolutions of the Company or any indenture or other agreement or instrument to which the Company is a party or by which it is bound or any order, decree, statute, by-law, regulation, covenant or restriction applicable to the Company or any of its assets;

7. the Company is not presently in default in the performance of any covenant or obligation contained in any indenture or other agreement which creates, evidences or secures the indebtedness of the Company;
8. no facts have come to the attention of the undersigned indicating that the representations and warranties constituted by the delivery of the Disclosure Documents are untrue, incorrect or misleading in any material respect;
9. except as disclosed in the Disclosure Documents, there are no persons, firms or corporations having any agreement or option or any right or privilege capable of becoming an agreement for the purchase, subscription or issuance of any securities of the Company;
10. there are no agreements with respect to the securities of the Company with the shareholders of the Company, the Target Business or the shareholders of the Target Business not disclosed in the Disclosure Documents;
11. there are no material facts not disclosed in the Disclosure Documents;
12. the Company's directors and officers, as disclosed in the Disclosure Documents, have been duly elected or appointed and hold the office indicated in the Disclosure Documents;
13. all financial statements of the Company contained in the Disclosure Documents have been approved by the Company's board of directors;
14. the representations and warranties of the Company set forth in the Agreement are true and correct as of the date of this certificate;
15. the Company is not in material default with respect to any filings it is required to make with the Exchange, the Commissions or any other securities regulatory authority having jurisdiction; and
16. the Disclosure Documents and the filing of the Disclosure Documents with the Exchange have been duly authorized by and on behalf of the Company.

DATED at _____, _____, as of the _____ day of _____, 2007.

Feisal Somji, President

Harry McGucken, Corporate Secretary

SCHEDULE A-2

OFFICERS' CERTIFICATE

TO: Blackmont Capital Inc.

This certificate is being delivered in connection with the proposed transaction (the "**Transaction**") involving Mexican Silver Mines (Guernsey) Limited (the "**Company**") and Premier Diamond Corp. ("**Premier**") and the sponsorship agreement (the "**Agreement**") dated March 22, 2007 entered in to among the Company, Premier and Blackmont Capital Inc. (the "**Sponsor**").

All capitalized terms herein and not defined herein shall have the meaning given to such terms in the Agreement.

The undersigned, Roger Norwich, acting in my capacity as the President of the Company and not in my personal capacity, hereby certify to the best of my knowledge, information and belief, after having made due inquiry, that:

1. the Company is the beneficial owner of the properties, business and assets referred to in the Disclosure Documents prepared in accordance with the policies of the Exchange in connection with the Transaction and any and all agreements pursuant to which the Company holds any interest in such properties, business and assets are in good standing according to the terms thereof and in full force and effect, and there has not been any default in any obligation to be performed thereunder;
2. the Company's financial statements contained in the Disclosure Documents present fairly and accurately the financial condition of the Company;
3. the Company does not have any contingent liabilities out of the ordinary course of business which are of a nature material to the Company, except as disclosed in the financial statements contained in the Disclosure Documents;
4. the Company is not party to a material contract which is not disclosed in the Disclosure Documents and the material contracts disclosed in the Disclosure Documents constitute valid and binding obligations of the parties thereto, enforceable against each of such parties in accordance with their respective terms except as enforcement may be limited by general principles of equity, applicable bankruptcy, insolvency, preference and reorganization laws and other laws generally affecting the enforcement of creditors' rights and the availability of discretionary judicial remedies;
5. there are no actions, suits, proceedings or inquiries pending or threatened against or affecting the Company at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, domestic or foreign, which may in any way materially and adversely affect the Company;
6. no order ceasing or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued to the Company or its directors, officers or promoters or to any reporting companies that have common directors, officers or promoters and no proceedings for such purposes are pending or threatened;

7. the Company is not presently in default in the performance of any covenant or obligation contained in any indenture or other agreement which creates, evidences or secures the indebtedness of the Company;
8. except as disclosed in the Disclosure Documents, there are no persons, firms or corporations having any agreement or option or any right or privilege capable of becoming an agreement for the purchase, subscription or issuance of any securities of the Company;
9. there are no material facts relating to the Company not disclosed in the Disclosure Documents;
10. the Company's directors and officers, as disclosed in the Disclosure Documents, have been duly elected or appointed and hold the office indicated in the Disclosure Documents;
11. the representations and warranties of the Company set forth in the Agreement are true and correct as of the date of this certificate;
12. the Disclosure Documents and the filing of the Disclosure Documents with the Exchange have been duly authorized by and on behalf of the Company. and
13. all financial statements of the Company contained in the Disclosure Documents have been approved by the Company's board of directors.

DATED at _____, _____, as of the ____ day of _____, 2007.

Roger Norwich, President

SCHEDULE "B"

INDEMNITY

In accordance with a sponsorship agreement (the "**Agreement**") dated for reference March 22, 2007 among Premier Diamond Corp. (the "**Company**"), Mexican Silver Mines (Guernsey) Limited (the "**Target Business**") and Blackmont Capital Inc. (the "**Sponsor**"), the Sponsor is required to prepare and deliver to the TSX Venture Exchange (the "**Exchange**") a sponsor report (the "**Sponsor Report**") in accordance with the policies and rules of the Exchange in connection with the sponsorship of the Company and its proposed transaction (the "**Transaction**") with Target Business. As consideration for the Sponsor preparing and delivering the Sponsor Report to the Exchange, the Company and the Target Business agree as follows:

1. The Company and the Target Business jointly and severally agree to indemnify and hold harmless the Sponsor and its affiliates, their respective directors, officers, employees, partners, agents and each other person, if any, controlling the Sponsor or any of its affiliates (collectively including the Sponsor, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), to the full extent lawful, from and against any and all expenses, losses, claims, actions, damages and liabilities, joint or several, (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising and defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party but not including any amount for lost profits) to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, actions, damages or liabilities relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered by the Sponsor under the Agreement in preparing the Sponsor Report, or otherwise in connection with the Transaction.
2. Notwithstanding the foregoing, this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such expenses, losses, claims, actions, damages or liabilities to which the Indemnified Party may be subject were directly caused by the gross negligence, bad faith or wilful misconduct of the Indemnified Party.
3. If for any reason (other than determinations as to any of the events referred to in paragraph 2 of this indemnity) the foregoing indemnification is unavailable to any Indemnified Party or is insufficient to hold any Indemnified Party harmless, the Company and the Target Business will jointly and severally contribute to the amount paid or payable by the Indemnified Party as a result of such expense, loss, claim, action, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company and the Target Business on the one hand and the Sponsor or any other Indemnified Party on the other hand, but also the relative fault of the Company, the Target Business, the Sponsor or any other Indemnified Party as well as any relevant equitable considerations; provided that the Company and the Target Business will in any event jointly and severally contribute to the amount or amounts paid or payable by the Sponsor or any other Indemnified Party as a result of any such expense, loss, claim, action, damage or liability (except for any such expense, loss, claim, action, damage or liability which is determined by a court of competent jurisdiction to have been caused directly by the gross negligence, bad faith or wilful misconduct of the Indemnified Party), the portion of such amount or of the

aggregate of such amount that is in excess of the amount of the fees received by the Sponsor under the Agreement.

4. The Company and the Target Business jointly and severally agree that if: (a) any legal proceeding is brought against the Company, the Target Business or the Sponsor or any other Indemnified Party by any person or entity, including without limitation any governmental commission or regulatory authority, or (b) any stock exchange or other entity having regulatory authority, either domestic or foreign, investigates the Company, the Target Business or the Sponsor or any other Indemnified Party, and the Sponsor or such other Indemnified Party is required to testify in connection therewith or is required to respond to procedures designed to discover information regarding, in connection with, or by reason of the Agreement, the engagement of the Sponsor thereunder or the performance of professional services rendered by the Sponsor thereunder, the Sponsor or such other Indemnified Party will have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Sponsor for time spent by its, or any of its affiliates, directors, officers, employees, partners or agents (collectively, "**Personnel**") in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith will be paid jointly and severally by the Company and the Target Business as they occur.
5. Promptly after receiving notice of an action, suit, proceeding or claim against the Sponsor or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company and the Target Business, the Sponsor will notify either the Company, the Target Business or both in writing of the particulars thereof, will provide copies of all relevant documentation to them and, unless the Company and the Target Business assume the defence thereof, will keep the Company and the Target Business advised of the progress thereof and will discuss all significant actions proposed. The omission to so notify the Company or the Target Business will not relieve them of any liability which they may have to the Sponsor or any other Indemnified Party except only to the extent that any such delay in or failure to give notice prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Company and the Target Business would otherwise have under this indemnity had the Sponsor or the Indemnified Party not so delayed in or failed to give the notice required.
6. The Company and the Target Business will be entitled, at their own expense, to participate in and, to the extent they may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Company or the Target Business notifying the Sponsor in writing of their election to assume the defence and retaining counsel, the Company and the Target Business will not be liable to the Sponsor or any other Indemnified Party for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Company or the Target Business, they throughout the course thereof will provide copies of all relevant documentation to the Sponsor, will keep the Sponsor advised of the progress thereof and will discuss with the Sponsor all significant actions proposed.
7. Notwithstanding the foregoing paragraph, any Indemnified Party will have the right, at the joint and several expense of the Company and the Target Business, to employ counsel of such Indemnified Party's choice in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Company or the Target Business; or (ii) the Company or the Target Business has not assumed the defence and employed counsel within a reasonable time after receiving notice of such action, suit, proceeding,

claim or investigation; or (iii) counsel retained by the Company or the Target Business or the Indemnified Party has advised the Indemnified Party that representation of the parties by the same counsel would be inappropriate because there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Company or the Target Business (in which event and to that extent, the Company and the Target Business will not have the right to assume or direct the defence on the Indemnified Party's behalf) or that there is a conflict of interest between the Company, the Target Business and the Indemnified Party (in which event the Company and the Target Business will not have the right to assume or direct the defence on the Indemnified Party's behalf).

8. No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Parties affected, such consent not to be unreasonably withheld. No admission of liability shall be made and the Company and the Target Business will not be liable for any settlement of any action, suit, proceeding, claim or investigation made without their consent, such consent not to be unreasonably withheld.
9. The Company and the Target Business hereby acknowledge that the Sponsor acts as trustee for other Indemnified Parties of the covenants of the Company and the Target Business under this indemnity with respect to such persons and the Sponsor agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
10. The Company and the Target Business agree to waive any right they may have of first requiring any Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The indemnity and contribution obligations of the Company and the Target Business hereunder will be in addition to, but not in duplication of, any liability which the Company and the Target Business may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Sponsor and any other Indemnified Party. The foregoing provisions shall survive the completion of professional services rendered under the Agreement or any termination of the authorization given by the Agreement, and shall continue for a period of three years after the date of the last of such events to occur.
11. The rights of indemnity in this Schedule shall not apply to Indemnified Parties who have engaged in fraud, misrepresentations, or gross negligence in relation to the matters subject to the proposed indemnification.

DATED the ____ day of _____, 2007.

PREMIER DIAMOND CORP.

MEXICAN SILVER MINES (GUERNSEY) LIMITED
