FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Mexican Silver Mines Ltd. (formerly Premier Diamond Corp.) (the "Corporation")
3004 Ogden Road S.E.
Calgary, Alberta T2G 4N5

2. **Date of Material Change**

The material change occurred on May 7, 2007.

3. **News Release**

A press release was disseminated on May 8, 2007 via CCNMatthews.

4. **Summary of Material Change**

The Corporation completed the acquisition of Mexican Silver Mines (Guernsey) Limited, completed a private placement for gross proceeds of $2,190,000, changed the name of the Corporation from Premier Diamond Corp. to Mexican Silver Mines Ltd., continued the Corporation from British Columbia into Alberta, elected new directors, appointed new officers and issued 1,920,000 options to purchase common shares to directors, officers and consultants.

5. **Full Description of Material Change**

The Corporation completed the acquisition of all the issued and outstanding securities of Mexican Silver Mines (Guernsey) Limited ("MSM") on May 7, 2007 (the "Acquisition"). In consideration for the securities of MSM, the Corporation issued 15,434,782 common shares of the Corporation ("Common Shares") and 217,392 purchase price warrants to acquire Common Shares ("Purchase Price Warrants"). Each whole Purchase Price Warrant entitles the holder to acquire one Common Share at an exercise price of $0.50 per share during the period expiring on August 15, 2008. Blackmont Capital Inc. acted as sponsor to the Acquisition.

The Corporation is now the holder of 99.99% of the issued and outstanding shares in the capital of Materias Primas y Minerales La Iguana S.A. de C.V. ("Materias Primas"). Materias Primas owns 100% undivided interest in approximately 322,000 acres (130,400 hectares) of mineral properties (the "Property") located in the Mexican state of Nuevo Leon, approximately 160 kilometres north of the city of Monterrey. The Property is situated at the northeast extremity of the Sierra Madre Oriental.

The Corporation also completed the second and final tranche of its previously announced private placement (the "Private Placement") pursuant to which an aggregate of 8,760,000 Units at a price of $0.25 per Unit were issued for gross proceeds of $2,190,000. A total of $2,400,000 was raised under the first and second tranche of the Private Placement. Each Unit is comprised of one common share ("Common Share") and one half of one common share purchase warrant ("Warrant"). Each Warrant is exercisable into one Common Share at a price of $0.50 per Common Share during the period expiring on May 7, 2009 (the "Warrant Term"). If the trading price of the Common Shares is greater than $0.80 for ten consecutive days of trading at any time during the Warrant Term the Corporation will have the right to shorten the Warrant Term of the Warrants to thirty days from the day on which the Corporation provides notice to the holders of the shortened Warrant Term. The Common Shares and Warrants are subject to a restricted period that expires on September 8, 2007

The directors and officers of the Corporation collectively purchased an aggregate of 1,068,220 Units for $267,055, as more particularly described in the following table:

Name and Position	Units Purchased	Subscription Amount ($)	Number and Percentage of Common Shares Held Following the Private Placement
Feisal Somji, President, Chief Executive Officer and Director	168,220	42,055	507,886 (1.9%)
Harry McGucken, Chief Financial Officer, Corporate Secretary and Director	400,000	100,000	719,750 (2.6%)
William Dynes, Director	500,000	125,000	787,500 (2.9%)

The Private Placement was approved at the annual general and special meeting of shareholders of the Corporation held on May 7, 2006 (the "Meeting") with votes cast by insiders and their respective associates and affiliates in respect of the approval of the Private Placement, if any, being excluded from voting. The Corporation is relying on the exemptions from the formal valuation requirement of the Ontario Securities Commission Rule 61-501 provided by subsection 5.5(3).

The net proceeds of the Private Placement are intended to capitalize the ongoing business of the Corporation and to provide it with sufficient net proceeds to allow it to meet minimum listing requirements established by the TSX Venture Exchange for a Tier 2 Mining Issuer. These net proceeds will be used for general working capital purposes, including to fund expenditures incurred in connection with the Acquisition and to fund the exploration programme to be carried out on the Property.

All other matters placed before the shareholders at the Meeting were approved including the continuation of the Corporation from British Columbia into Alberta, the name change of the Corporation and the election of new directors in contemplation of the closing of the Acquisition. The new directors and management of the Corporation are Feisal Somji (President and CEO), Harry McGucken (CFO and Corporate Secretary), Roger Norwich (Chairman of the Board), William Dynes, Raul Ramirez Morton and Joseph O'Farrell.

The Corporation has now continued into Alberta and has also changed its name to Mexican Silver Mines Ltd. and will commence trading under that name and the symbol "MSM" on the TSX Venture Exchange Inc. in the near future.

In addition, the Corporation issued 1,920,000 options to purchase Common Shares to eligible participants, of which 1,590,000 were granted to officers and directors of the Corporation (265,000 options apiece). The options to purchase Common Shares are exercisable at a price of $0.25 per Common Share for five years from the date of issuance.

The Corporation engaged Canaccord Capital Corporation ("Canaccord") and Ascenta Finance Corp. ("Ascenta") to act as finders on the Private Placement. Canaccord received a commission of 5% of the gross proceeds payable in cash, and agent's options to acquire that number of Units equal to 5% of the number of Units sold. Ascenta received a commission of 7% of the gross proceeds payable in cash, and agent's options to acquire that number of Units equal to 7% of the number of Units sold.

After giving effect to the Acquisition, the Private Placement and related transactions, the Corporation now has 27,209,340 Common Shares issued and outstanding.

As a result of the Acquisition, Roger Norwich now owns 5,108,695 Common Shares (18.8%) and Purchase Price Warrants to acquire a further 54,347 Common Shares at a price of $0.50 per Common Share. As a result of the Acquisition, Joseph O'Farrell now owns 5,108,695 Common Shares (18.8%) and Purchase Price Warrants to acquire a further 54,347 Common Shares at a price of $0.50 per Common Share. All of these securities are held in escrow in accordance with TSX Venture Exchange policy as Value Securities as are an additional 2,912,806 Common Shares held by the other principals of the Corporation.

The Corporation has received the conditional acceptance of the TSX Venture Exchange for the Acquisition and has submitted final materials to the TSX Venture Exchange for the issue of the Final Exchange Bulletin respecting the Acquisition. Following the issue of the Final Exchange Bulletin, the Corporation will be listed for trading on the TSX Venture Exchange as a Tier 2 Mining Issuer.

For further information regarding the Acquisition and other related matters, please refer to the Corporation's press releases dated May 8, 2007, March 30, 2007, March 26, 2007 and January 10, 2007 and to the management information circular of the Corporation dated March 22, 2007, available under the Corporation's profile on SEDAR at www.sedar.com.

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 Mexican Silver Mines Ltd. (formerly Premier Diamond Corp.) who is knowledgeable about the material change and this report is:

Feisal Somji- President, Chief Executive Officer & Director
Telephone: (403) 236-5089

9. **Date of Report**

May 9, 2007