FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

First Nickel Inc. ("**FNI**")
130 King Street West, Suite 1600
Toronto, ON M5X 1J5

Item 2. Date of Material Change

April 29, 2005

Item 3. Press Release

Press release issued by FNI on April 29, 2005 via a Canadian news wire service.

Item 4. Summary of Material Change

FNI announced that it has completed its securities offering of $14,500,000 previously announced on March 31, 2005.

Item 5. Full Description of Material Change

FNI announced that it has completed its securities offering of $14,500,000 previously announced on March 31, 2005 (the "**Offering**"). The Offering consisted of 14,500 Units, each Unit being comprised of (i) CDN $1,000 face amount of class A special note (each a "**Special A Note"**) and (ii) one (1) class B special note (each a "**Special B Note**"). Each CDN $1,000 face amount of Series A Notes will be exchanged, without additional consideration, for CDN $,1,000 face amount of 11% Series A senior unsecured debentures of FNI ("**Series A Debentures**") immediately following completion of the proposed acquisition by FNI from Falconbridge Limited of the Lockerby Mine (the "**Proposed Acquisition**"). Similarly, each Special B Note will be exchanged, without additional consideration, for 250 common shares in the capital of FNI (each a "**Common Shares**") immediately following the Proposed Acquisition. The proceeds received by FNI from the sale of the Units will be used to finance the Proposed Acquisition, to assist in the post-acquisition operation of the Lockerby Mine, and for other general working capital purposes of FNI (see Press Releases dated Nov. 29/04 and Mar.15/05 for more information on the Proposed Acquisition). Under the terms of the Offering the gross proceeds of the Offering will be held in escrow pending the completion of the Proposed Acquisition which is expected to close no later than May 31, 2005.

McFarlane Gordon Inc. acted as Agent under the Offering and was paid a cash commission of 6% of the gross proceeds raised under the Offering.

Item 6. Reliance on Section 75(3) of the Act

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Senior Officer

The following senior officer of FNI is knowledgeable about the material change and the Report and may be contacted by the Commission as follows:

Elizabeth J. Kirkwood, President and Chief Executive Officer

Telephone: 416 364-6928
Facsimile: 416 364-0618
Internet: www.firstnickel.com

DATED May 6, 2005.

FIRST NICKEL INC.

"Elizabeth J. Kirkwood"

Per: ________________________________

Elizabeth J. Kirkwood
President and Chief Executive Officer

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