FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

First Nickel Inc. ("**First Nickel**")
120 Front St. East, Suite 206
Toronto, Ontario
M5A 4L9

Item 2. Date of Material Change

November 8, 2006.

Item 3. Press Release

Press release issued by First Nickel on November 9, 2006 via a Canadian news wire service.

Item 4. Summary of Material Change

First Nickel has released its unaudited financial statements and management discussion and analysis for the three and nine month periods ended September 30, 2006.

Item 5. Full Description of Material Change

First Nickel recorded net earnings of $1,424,209, or $0.02 per share (undiluted), for the three month period ended September 30, 2006. This is the first quarter in First Nickel's short history in which it has recorded earnings. On a year-to-date basis, First Nickel has net earnings of $31,408.

Revenue during the third quarter of 2006 amounted to $11,685,111, from the sale of payable metal production of 747,731 pounds of nickel and 474,596 pounds of copper in 30,636 tonnes of ore milled. The average metal prices realized in the quarter were US$11.44 for nickel and US$3.33 for copper.

A total of 24,837 tonnes of ore was delivered by First Nickel to Falconbridge Inc. treatment facilities for milling in the third quarter of 2006, representing an approximate 19% decrease in comparison to second quarter 2006 tonnes delivered for milling and approximately the same as delivered in the first quarter of 2006. Payable metal production in the third quarter of 2006 is currently estimated to be approximately 460,000 pounds of nickel and 355,000 pounds of copper. The value of the third quarter 2006 payable metal will be recorded as revenue in the fourth quarter of 2006.

The deteriorating ground conditions at the 63 Level of First Nickel's Lockerby Mine, which were causing excessive dilution, continued into early fourth quarter 2006, until the decision was made in late October 2006 to cease mining activity in that area. This action was taken as retrieving the lower grade ore at the 63 Level could have put the remote-controlled LHD equipment at risk for minimal financial gain. As a result, there will be a reduction in output in the fourth quarter of 2006, with the forecast for the period adjusted downwards to 19,000 tonnes.

In November 2006, development crews at the Lockerby Mine reached a significant milestone, having advanced to the point of breaking into and drifting in ore on both the East Zone and the 64 Level on the Depth Zone of the mine. Both these headings will be supplying development ore during late 2006 as First Nickel moves toward full-scale stope production from those areas in 2007.

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 First Nickel is knowledgeable about the material change and the Report and may be contacted by the Commission as follows:

William Anderson, President and Chief Executive Officer

Telephone: 416-362-7050
Facsimile: 416-362-9050
Internet: www.firstnickel.com

DATED effective as of the 15th day of November, 2006.

FIRST NICKEL INC.

Per: *"WILLIAM ANDERSON"*
William Anderson
President and Chief Executive Officer

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