FIRST NICKEL INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

First Nickel Inc., 120 Front Street East, Suite 206 Toronto, Ontario, M5A 4L9.

Item 2. Date of Material Change

May 7, 2007.

Item 3. News Release

The Press Release was sent on May 7, 2007 via CCN Matthews — Toronto, Ontario.

Item 4. Summary of Material Change

For further information, attached hereto is a copy of the Press Release.

Item 5. Full Description of Material Change

For further information, attached hereto is a copy of the Press Release.

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

Confidentiality is not requested.

Item 7. Omitted Information

No information has been omitted in respect of the material change.

Item 8. Executive Officer

William J. Anderson, President & CEO [416] 362-7050.

Item 9. Date of Report

May 15, 2007.

FIRST NICKEL INC.

FOR IMMEDIATE RELEASE **No. 2007-10**

5.20 METRES OF MASSIVE AND SEMI-MASSIVE SULPHIDE GRADING 2.03% NI AND 0.26% CU ON MORGAN-LUMSDEN CONTINUES TO EXPAND NEW NORTH RANGE DISCOVERY

May 7, 2007 – Toronto, Ontario – First Nickel Inc. (FNI-TSX) reports the discovery of massive sulphides grading 2.03% Ni and 0.26% Cu over 5.20 metres on the Morgan-Lumsden Property.

The Morgan-Lumsden property is located on the North Range of the Sudbury Basin approximately 12 kilometres to the east of Xstrata Nickel's Strathcona Mill Complex. First Nickel has an option from Xstrata to earn a 50% interest in the Morgan-Lumsden Property on terms previously announced in First Nickel's March 22, 2005 news release.

Hole M-066 has been drilled to a depth of 1,526 metres and is an 85 metre step-out to the southwest of M-059 (0.71% Ni over 38.8m). The hole represents the next consecutive hole drilled on the property and returned a 5.2 metre intersection of massive and semi-massive sulphides grading 2.03% nickel, 0.26% Cu and 0.09% Co, including a 3.15 metres section that graded 2.50% Ni, 0.25% Cu and 0.10% Co was intersected in the hole. The sulphides have been interpreted by Xstrata as hosted in a broad zone of Sudbury Breccia approximately 50 metres below the Sudbury Igneous Complex (SIC) contact. Assay results from this interval are summarized in the following table.

Hole ID	From (m)	To (m)	Drill Length (m)	Ni (%)	Cu (%)	Co (%)	Pt (ppm)	Pd (ppm)	Au (ppm)	Ag (ppm)
M-066	1112.55	1113.50	0.95	1.94	0.15	0.09	0.03	0.04	0.02	0.25
and	1117.00	1117.50	0.50	1.84	0.31	0.04	0.14	0.19	0.16	0.90
and	**1120.65**	**1125.85**	**5.20**	**2.03**	**0.26**	**0.09**	**0.05**	**0.06**	**0.03**	**0.31**
Incl.	1120.65	1123.80	3.15	2.50	0.25	0.10	0.05	0.07	0.02	0.25

All assay intervals reported are core length and do not represent true widths (defined as being measured at right angles to the direction of extension of the sulphide body). All other assay samples are pending analysis.

The current interpretation, prior to the completion of borehole geophysics, is that the hole may have clipped the upper edge of the embayment feature as indicated by the shallower than predicted depth of the SIC contact and thinning basal units of the SIC. A borehole geophysical survey is scheduled for early May.

Although assays are not available, geologic features indicate further opportunity for Footwall mineralization on the property. These features include a significant proportion of Sudbury Breccia intersected in the footwall, below the massive sulphide intercept, with local and scattered disseminated, blebby and fracture controlled chalcopyrite mineralization.

"These excellent exploration results at Morgan-Lumsden are indicative of a new prospective area within the Sudbury Basin." states William Anderson, President and CEO. "Morgan-Lumsden is located in an under explored area of the Sudbury geological structure and we are particularly encouraged by the massive sulphide intersection especially when coupled with encouraging footwall geology. Only a portion of the property has been tested to date and we are excited about the future potential of this area. I'd also like to acknowledge the excellent work by the Xstrata Nickel exploration team which is managing this program."

Due to the continued success of the exploration program, attempts will be made to bring a second diamond drill rig on the property (dependent on rig availability), in the next few weeks to accelerate the exploration program.

The exploration program is being carried out under the direction of Xstrata Nickel's Project Geologist, Grant Mourre, P.Geo., a "qualified person" as defined in National Instrument 43-101. The information in this release was prepared under the direction of Paul Davis, P.Geo., Vice President of Exploration for First Nickel Inc., a "qualified person" as defined by National Instrument 43-101. Xstrata Nickel follows a rigorous QA/QC protocol for the Morgan-Lumsden Project which includes the regular insertion of standards and blanks in the sample batches. Drill core of interest (NQ size) is sawn in half, with one half retained for future reference and one half sent to a commercial laboratory, SGS Laboratories in Garson for preparation and specific gravity measurements and shipped internally by SGS to Toronto for assay.

First Nickel is a Canadian mining and exploration company. Its current activities are primarily focused on the Sudbury Basin in northern Ontario, the location of the company's producing property (the Lockerby Mine) and four of its exploration properties. First Nickel also has two exploration properties in the Timmins region of northern Ontario. First Nickel's shares are traded on the TSX under the symbol FNI.

This news release may contain forward-looking statements, which are subject to certain risks, uncertainties and assumptions. A number of factors could cause actual results to differ materially from the results discussed in such statements, and there is no assurance that actual results will be consistent with them. Such forward-looking statements are made as at the date of this news release, and the company assumes no obligation to update or revise them, either publicly or otherwise, to reflect new events, information or circumstances.

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