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 5, 2008

Item 3 – News Release:

The news release attached hereto as Schedule “A” was disseminated over Marketwire on May 6, 2008.

Item 4 – Summary of Material Change:

First Nickel Inc. (the “Company”) announced the establishment of a shareholder rights plan agreement effective May 5, 2008. Although the rights plan is effective upon its adoption, in accordance with Toronto Stock Exchange requirements, it will be submitted to the shareholders for ratification at the Company’s annual and special meeting scheduled to be held on June 19, 2008.

If the rights plan resolution is ratified and confirmed at the annual and special meeting, the shareholder rights plan will continue in effect until the earlier of the termination time, as defined in the rights plan, or the date upon which the annual meeting of the holders of common shares terminates in 2011. If the rights plan resolution is not approved at the meeting, the rights plan will terminate at the end of the meeting.

Item 5 – Full Description of Material Change:

5.1 Full Description of Material Change

The material change is fully described in the press release attached hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 - Omitted Information:

Not applicable.

Item 8 – Executive Officer:

William Anderson, President and CEO
Tel: (416) 362-7050

Item 9 – Date of Report:

May 6, 2008

Schedule “A”

FIRST NICKEL INC.

FOR IMMEDIATE RELEASE **No. 2008-07**

FIRST NICKEL ESTABLISHES SHAREHOLDER RIGHTS PLAN

Toronto, Ontario – May 6, 2008 –First Nickel Inc. ("First Nickel" or the "Company") (TSX: "FNI") is pleased to announce the establishment of a shareholder rights plan agreement effective May 5, 2008. Although the rights plan is effective upon its adoption, in accordance with Toronto Stock Exchange requirements, it will be submitted to the shareholders for ratification at First Nickel's annual and special meeting scheduled to be held on June 19, 2008.

If the rights plan resolution is ratified and confirmed at the annual and special meeting, the shareholder rights plan will continue in effect until the earlier of the termination time, as defined in the rights plan, or the date upon which the annual meeting of the holders of common shares terminates in 2011. If the rights plan resolution is not approved at the meeting, the rights plan will terminate at the end of the meeting.

The rights plan is designed to ensure that all shareholders receive equal treatment and to maximize shareholder value in the event of a takeover bid or other acquisition that could lead to the change in control of First Nickel. It is not intended to deter takeover proposals.

William Anderson, President and CEO of First Nickel, said "The rights plan is intended to provide time for shareholders to properly assess any takeover bid and to provide the board of directors with sufficient time to explore and develop alternatives for maximizing shareholder value, including, if considered appropriate, identifying and holding discussions with other potential bidders."

In making the announcement, First Nickel is not aware of any pending or threatened takeover initiatives directed at the company. A copy of the rights plan is available by contacting First Nickel at 416-362-7050. A copy will also be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") located at www.sedar.com.

For further information contact:

William Anderson, President & CEO
First Nickel Inc.
Telephone: (416) 362-7050
Fax: (416) 362-9050
Email: wanderson@firstnickel.com

Or

Forbes West, Investor Relations Advisor
416-203-2200 / 1-888-655-5532 / forbes@sherbournegroup.ca