

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

June 16, 2009.

Item 3. News Release

Press Releases concerning the material change were sent on June 16, 2009 and June 19, 2009 via Marketwire — Toronto, Ontario.

Item 4. Summary of Material Change

For further information, attached hereto are copies of the Press Releases.

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) of National Instrument 51-102

Confidentiality is not requested.

Item 7. Omitted Information

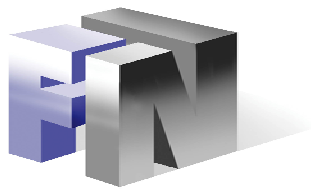
No information has been omitted in respect of the material change.

Item 8. Executive Officer

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

Item 9. Date of Report

June 22, 2009.



FIRST NICKEL INC.

FOR IMMEDIATE RELEASE

No. 2009-06

FIRST NICKEL ARRANGES US\$10 MILLION CONVERTIBLE WORKING CAPITAL FACILITY

Toronto, Ontario – June 16, 2009 – First Nickel Inc. (“First Nickel” or the “Company”) (TSX: “FNI”) announces that it has entered into a commitment letter with Resource Capital Fund IV L.P. (“RCF”) for a US\$10 million convertible working capital facility maturing on December 31, 2013 (the “Facility”). The proceeds of the Facility will be used as working capital, for general corporate purposes and to begin incremental capital development activities at the Lockerby Mine that will expedite launch of the full capital development project when full financing for the project is arranged. The Facility is expected to close on or about July 15, 2009 and is subject to certain closing conditions, including the approval of the Toronto Stock Exchange, and entering into definitive documentation.

“While we would have preferred to issue equity at higher levels, under the current turbulent market conditions and financial environment, we are very pleased to have the opportunity to associate with a group that shares our belief in the long term potential of the Company and the nickel business. The injection of US\$10 million into the Company provides the necessary capital to maintain our operating and exploration teams, continue the care and maintenance of the Lockerby Mine for the next year and initiate value added capital programs that will facilitate the launch of the full development program on the Lockerby Depth project. The transaction will enhance shareholder value by removing the uncertainty regarding funding needed to maintain a healthy balance sheet in these difficult financial markets and at the same time advance the business. With this commitment by a very credible and strong partner, we can now focus on optimizing the mine plan and seek full funding for the project in time to participate in and profit from the strong metals markets that we anticipate in the near future,” stated William Anderson, President and Chief Executive Officer of First Nickel.

Under the TSX Company Manual, shareholder approval would be required as a result of the number of common shares issuable pursuant to the Facility being in excess of 25% of the currently issued and outstanding common shares of the Company and as a result of the Facility materially affecting control of First Nickel if the Facility is converted into common shares. First Nickel has applied to the TSX under the provisions of Section 604(e) of the Company Manual for an exemption from shareholder approval requirements as the Company does not have sufficient time to seek shareholder approval and is relying on the financial hardship exemption. There is no certainty that the TSX will grant the exemption. A Special Committee of independent directors of the Company has carefully reviewed the terms of this Facility and has determined that the completion of the financing and reliance on the financial hardship exemption is reasonable and in the best interest of the Company

given the Company's current financial difficulty and the limited availability of alternative financing arrangements.

As a consequence of relying upon the financial hardship exemption under Section 604(e) of the TSX Company Manual, the TSX has informed the Company that it will, in the ordinary course, commence a listing review. The Company is confident that it will be in compliance with all of the TSX listing requirements.

Description of the Convertible Working Capital Facility

The targeted closing date for the transaction is July 15, 2009 or in any event no later than July 31, 2009 upon satisfaction of the conditions precedent. The Facility will be drawn in a single advance of US\$10 million on closing.

The Facility will bear an interest rate of 8.0% per annum, paid quarterly in cash or, at RCF's option, in common shares of the Company valued at the market price. The market price is determined by the weighted average trading price of the Company over the 20 trading days prior to the calculation date. The Facility will be secured by the assets associated with the Lockerby, West Graham, Raglan Hills and Belmont projects.

RCF, at its discretion, has the right to convert all or any portion of the Facility, whether outstanding or previously repaid, at any time prior to the expiry date, into common shares of First Nickel at a conversion price of C\$0.11. The Facility, if converted in full would represent 107,054,546 common shares of the Company and when combined with the 2,150,000 common shares issued to RCF by the Company as an establishment fee represents 41.2% of the common shares of the Company on an as converted basis. If the Company elects not to proceed with the Facility, it will be obligated to issue one million common shares to RCF as a termination fee.

For the purpose of calculating the number of shares to be issued upon the payment of interest and the conversion of principal, RCF and the Company will use a fixed C\$/US\$ exchange rate of 1.1776.

In addition to the above terms, the Facility also contemplates the following:

- RCF has the option to participate in any equity raisings on a pro-rata basis to its actual and/or prospective shareholding in the Company until December 31, 2013 or thereafter so long as any amounts due remain outstanding.
- For one year, the Company will not raise equity or convertible debt at a price less than the conversion price without the written consent of RCF.
- RCF will have the option to nominate one director to the Board of the Company, with a maximum of seven members, as long as the aggregate actual and/or prospective shareholding is greater than 10% of the issued shares of the company until December 31, 2013 or thereafter so long as any amounts due remain outstanding.
- RCF will have the option to nominate a total of two directors to the Board of the Company, with a maximum of eight members, as long as the aggregate actual and/or prospective shareholding is greater than 25% of the issued shares of the Company until December 31, 2013 or thereafter so long as any amounts due remain outstanding.

About RCF

RCF is one of several successive private equity funds with mandates to make investments in mining companies and projects across a diversified range of commodities and geographic regions. Since inception in 1998, the Resource Capital Funds have invested in 80 companies with projects in 35 countries relating to in excess of 20 different commodities. With approximately US\$1 billion under management, the Funds are long term investors that invest throughout the commodity cycle and have facilitated the development of a number of junior and mid-tier companies and assets that are recognized in the marketplace.

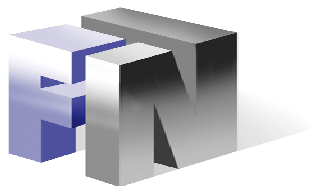
About First Nickel

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 redevelopment stage property (the Lockerby Mine) and two of its exploration properties. First Nickel also has exploration properties in the Timmins region of northern Ontario and the Belmont region of Eastern Ontario. First Nickel's shares are traded on the TSX under the symbol FNI.

Some of the statements contained in this press release are forward-looking statements, such as statements that describe First Nickel's future plans, intentions, objectives or goals, and specifically include but are not limited to completion of the proposed Facility, maintaining operating and exploration teams, continued care and maintenance of the Lockerby Mine; and the launch of the full development program on Lockerby Depth project. In certain cases, forward-looking statements can be identified by the use of words such as "expects", "will", "enable", "anticipates", "estimated" or words of similar effect. Since forward-looking statements are not statements of historical fact and address future events, conditions and expectations, forward-looking statements inherently involve unknown risks, uncertainties, assumptions and other factors well beyond the Company's ability to control or predict. Actual results and developments may differ materially from those contemplated by such forward-looking statements depending on, among others, such key factors as negotiating and entering into definitive agreements for the Facility, completion of the Facility, fluctuating metal prices, and other factors described in the Company's Annual Information Form under the heading "Risk Factors" which has been filed electronically by means of the System for Electronic Document Analysis and Retrieval ("SEDAR") located at www.sedar.com. The forward-looking statements included in this document represent First Nickel's views as of the date of this document and subsequent events and developments may cause First Nickel's views to change. These forward-looking statements should not be relied upon as representing First Nickel's views as of any date subsequent to the date of this document. Although First Nickel has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements.

For further information contact:

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



FIRST NICKEL INC.

FOR IMMEDIATE RELEASE

No. 2009-07

FIRST NICKEL PROVIDES FURTHER DETAIL REGARDING THE CONVERSION OF INTEREST PAYMENTS FOR WORKING CAPITAL FACILITY

Toronto, Ontario – June 19, 2009 – First Nickel Inc. (“First Nickel” or the “Company”) (TSX: “FNI”) announces that at the request of the TSX, the Company wishes to provide further detail regarding the conversion of interest payments into shares to service the proposed US\$10 million working capital facility announced on June 16, 2009.

The Company was specifically asked by the TSX what additional equity interest would the lender, Resource Capital Fund IV L.P. (“RCF”), receive if it were to receive all of the interest over the full term as shares at the same conversion rate as the principal, namely \$0.11/share at a US/C\$ exchange rate of \$1.1776 (the prescribed currency rate for both). If the entire facility therefore were converted to shares, RCF would receive a maximum interest of 48.6% (compared to 41.2% for the principal alone) of the then issued and outstanding shares of First Nickel.

The conversion of all interest to shares at \$0.11/share, if converted at the option of RCF, would require issuing 37,825,939 shares to RCF and thereby increasing its holding by 7.4% above that solely obtained from conversion of the principal amount (41.2%).

It should be noted that the loan calls for interest payments to be converted at market price based on the weighted average of preceding 20 trading days at the end of the relevant quarter. The calculation above, for illustration, assumes that the loan would go its full term (December 31, 2013), that FNI would not exercise its right to prepay portions of the facility, and that FNI would not issue any new equity in that four and a half year period. Given that the intention of the facility is to give First Nickel time to advance its Lockerby mine development and to seek a major financing when appropriate, the likelihood of its shares outstanding remaining at the present level is remote. In addition the Company has regularly accessed the market via flow-through share issues to finance its extensive exploration projects.

The closing of the proposed facility remains subject to certain conditions, including due diligence, regulatory approval, and definitive documentation.

About First Nickel

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 redevelopment

stage property (the Lockerby Mine) and two of its exploration properties. First Nickel also has exploration properties in the Timmins region of northern Ontario and the Belmont region of Eastern Ontario. First Nickel's shares are traded on the TSX under the symbol FNI.

Some of the statements contained in this press release are forward-looking statements, such as statements that describe First Nickel's future plans, intentions, objectives or goals, and specifically include but are not limited to completion of the proposed Facility, maintaining operating and exploration teams, continued care and maintenance of the Lockerby Mine; and the launch of the full development program on Lockerby Depth project. In certain cases, forward-looking statements can be identified by the use of words such as "expects", "will", "enable", "anticipates", "estimated" or words of similar effect. Since forward-looking statements are not statements of historical fact and address future events, conditions and expectations, forward-looking statements inherently involve unknown risks, uncertainties, assumptions and other factors well beyond the Company's ability to control or predict. Actual results and developments may differ materially from those contemplated by such forward-looking statements depending on, among others, such key factors as negotiating and entering into definitive agreements for the Facility, completion of the Facility, fluctuating metal prices, and other factors described in the Company's Annual Information Form under the heading "Risk Factors" which has been filed electronically by means of the System for Electronic Document Analysis and Retrieval ("SEDAR") located at www.sedar.com. The forward-looking statements included in this document represent First Nickel's views as of the date of this document and subsequent events and developments may cause First Nickel's views to change. These forward-looking statements should not be relied upon as representing First Nickel's views as of any date subsequent to the date of this document. Although First Nickel has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements.

For further information contact:

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