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:

July 23, 2009

Item 3 – News Release:

The news release attached hereto as Schedule "A" was disseminated over Marketwire on July 23, 2009.

Item 4 – Summary of Material Change:

First Nickel Inc. announced that it has completed its financing with Resource Capital Fund IV L.P. for a US$10 million convertible working capital facility maturing on December 31, 2013.

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) 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:

July 28, 2009

Schedule "A"

FIRST NICKEL INC.

FOR IMMEDIATE RELEASE **No. 2009-08**

FIRST NICKEL COMPLETES US$10 MILLION CONVERTIBLE WORKING CAPITAL FACILITY FINANCING

Toronto, Ontario – July 23, 2009 – Further to First Nickel Inc.'s ("First Nickel" or the "Company") (TSX: "FNI") press releases of June 16, 2009 and June 19, 2009, the Company is pleased to announce that it has completed its financing with Resource Capital Fund IV L.P. ("RCF IV") 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 projects at the Lockerby Mine that will expedite launch of the full capital development program when full financing for the project is arranged.

About RCF

RCF IV 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