

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Continental Nickel Limited
114 Lakeshore Road East, Suite 202
Oakville, ON, L6J 6N2

Item 2 Date of Material Change

September 22, 2010

Item 3 News Release

The press release attached as Schedule A was released over Marketwire on September 22, 2010.

Item 4 Summary of Material Change

The material change is described in the press release attached as Schedule A.

Item 5 Full Description of Material Change

The material change is described in the press release attached as Schedule A.

Item 6 Reliance of subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Craig MacDougall, President and CEO
Continental Nickel Limited
Tel: (905) 815-0533 X228

Item 9 Date of Report

September 23, 2010

Press Release**Continental Nickel Intersects 0.74% Nickel and 0.15% Copper over 53.1 Metres
at the New “Sleeping Giant” Sulphide Zone on the Nachingwea Nickel Project in
Tanzania**

Toronto, Ontario (September 22, 2010): Continental Nickel Limited (TSXV: CNI) (“Continental” or “CNI” or the “Company”) is pleased to announce that it has drilled another wide intersection of nickel-copper sulphide mineralization at the new Sleeping Giant Zone at Ntaka Hill on the Nachingwea nickel-copper sulphide project (“Nachingwea”) in Tanzania. Diamond drill hole NAD10-211 intersected a 53.1 metre interval of disseminated, stringer and net textured sulphides grading 0.74% nickel and 0.15% copper, including higher grade intervals of 2.09% nickel and 0.53% copper over 3.45 metres and 1.65% nickel and 0.22% copper over 7.1 metres. The project is a 70:30 Joint Venture between CNI and IMX Resources Limited (“IMX”) of Australia.

The Company is currently implementing a \$4 million exploration program at Nachingwea. In the current program, thirty-five diamond drill holes, totalling 4,722.7 metres, were completed at Ntaka Hill, and one 266.1 metre drill hole was completed at the Lionja target, 8 kilometres to the south. Assay results have now been reported for twenty of the thirty-six drill holes, totalling 2,659.5 metres, including the results of one drill hole totalling 392.7 metres reported herein. The assay results are provided below as Table I and a location figure may be viewed using the link provided with this release.

The primary objective of the Ntaka Hill drilling program is to evaluate selected sulphide deposits for extensions of mineralization beyond the currently defined Mineral Resources and to test prioritized targets for new sulphide zones. Currently, defined NI 43-101 compliant, Measured and Indicated Mineral Resources, from six separate sulphide deposits (G, H, J, L, M and NAD013) at Ntaka Hill, total 3.1 million tonnes grading 1.31% nickel and 0.24% copper at a US\$23 / tonne Net Smelter Return (“NSR”) cut-off (Press Release July 15, 2009).

NAD10-211

Drill hole NAD10-211 was drilled 140 metres to the north and 90 metres to the west of drill hole NAD07-023 EXT to test for an extension to a wide zone of disseminated nickel-copper sulphide mineralization intersected in NAD07-023 EXT, which graded 0.64% nickel and 0.12% copper over 80.0 metres (Press Release, August 10, 2010). NAD10-211 intersected a 53.1 metre interval of disseminated, stringer and net textured sulphide mineralization grading 0.74% nickel and 0.15% copper, including a higher grade interval near the base of the zone, grading 1.07% nickel and 0.19% copper over 19.0 metres, which in turn includes intervals grading 2.09% nickel and 0.53% over 3.45 metres and 1.65% nickel and 0.22% copper over 7.1 metres.

Drill hole NAD10-216 was drilled to a depth of 329.1 metres and was positioned 120 metres to the east of NAD10-211 to intersect the up-dip extent of the sulphide zone. The drill hole intersected approximately 70 metres of disseminated sulphide mineralization starting at 207 metres down hole, which includes a 16 metre interval of stringer to net-textured sulphide mineralization near the base of the zone. Assays are pending for this drill hole.

The drilling continues to outline a wide, south plunging and west dipping zone of largely disseminated nickel-copper sulphide mineralization which is open in all directions. The initial drill results to date suggest grades similar to existing large tonnage, low grade deposits such as the Mount Keith nickel deposit in Australia. Mount Keith is operated by BHP Billiton and is the world's largest open pit nickel sulphide mine.

Next Steps:

The remaining assay results from the last hole (NAD10-216) completed at the Sleeping Giant Zone will be reported once they are received, compiled and validated. Additional drilling will then be considered with the objective of exploring for near surface extensions in both up-dip and up-plunge directions.

Meanwhile, the planning and logistical arrangements are in progress for a reverse circulation drilling program which will commence in October to test priority targets developed from an on-going regional exploration program.

Craig MacDougall, President & CEO of Continental Nickel Limited, said "We continue to be excited about the potential of this newly-discovered nickel sulphide zone, which to date has demonstrated grades similar to deposits such as Mount Keith and is open in all directions. Once the remaining assay results are in hand, we will consider additional drilling on this zone."

Qualified Persons

The quality control, technical information and all aspects of the exploration program are supervised by Patricia Tirschmann, P. Geo., Vice President, Exploration for CNI. The information in this release was prepared under the direction of Craig MacDougall, P. Geo., President and CEO for Continental Nickel Limited. Both Ms. Tirschmann and Mr. MacDougall are qualified persons as defined by National Instrument 43-101.

Quality Control

The drilling was completed by Tandrill Limited of Tanzania. Drill core samples (NQ) are cut in half by a diamond saw on site. Half of the core is retained for reference purposes. Samples are generally 1.0 metre intervals or less at the discretion of the site geologists. Sample preparation is completed at the ALS Chemex preparation lab in Mwanza, Tanzania. Sample pulps are sent by courier to ALS Chemex analytical laboratory in Vancouver, Canada. Blank samples and commercially prepared and certified Ni sulphide analytical control standards with a range of grades are inserted in every batch of 20 samples or a minimum of one per sample batch. Analyses for Ni, Cu and Co are completed using a peroxide fusion preparation and ICP-AES finish (Analytical Code ME-ICP81). Analyses for Pt, Pd, and Au are by fire assay with an ICP-AES finish (Analytical Code PGM-ICP23).

About Continental Nickel

Continental Nickel Limited is focused on the exploration, discovery and development of nickel sulphide deposits in geologically prospective, but under-explored regions globally. The Company's key asset is its 70% interest in the Nachingwea project in Tanzania, where NI 43-101 Mineral Resources have defined 40,000 tonnes of contained nickel, and ongoing exploration is underway to evaluate the potential to expand these Resources. The Company's interest in the Nachingwea project will increase to 75% upon the completion of exploration expenditures totalling \$15 million, which is expected to be confirmed in the current quarter.

The Company also has an option joint venture on the St. Stephen project in New Brunswick, Canada where it has recently completed a diamond drill program and is awaiting assay results.

Continental Nickel Limited has 38,943,664 shares issued and outstanding (46,211,514 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well-funded with over C\$11.3 million in the treasury.

On behalf of

Continental Nickel Limited

"Craig MacDougall"

President & Chief Executive Officer

For further information please contact:

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CAUTIONARY STATEMENT: The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact included in this release including, without limitation, statements regarding potential mineralization, resources and reserves, exploration results, future plans and objectives of Continental Nickel Limited, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Continental Nickel Limited's expectations are the risks detailed herein and from time to time in the filings made by Continental Nickel Limited with securities regulators.

Information in this announcement relating to exploration results is based on data collected under the supervision of or compiled by Patricia Tirschmann, P. Geo., who holds the position of Vice President, Exploration and is a full time employee of Continental Nickel Limited. Ms. Tirschmann is a registered member of the Association of Professional Geoscientists of Ontario and has sufficient relevant experience to qualify as a Competent Person under the 2004 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms. Tirschmann consents to the inclusion of the data in the form and context in which it appears.

**Table I: Summary of Recent Assay Results – Sleeping Giant Zone,
Nachingwea Project, Tanzania.**

Drill hole (NAD10-)	Location East/ North UTM:WGS84	Az / Dip	Length (m)	From (m)	To (m)	Interval (m)	% Ni	% Cu	% Co
Sleeping Giant Zone, Ntaka Hill									
211	450010mE 8883400mN	090 / -67	392.7	318.0	371.1	53.1	0.74	0.15	0.02
				Incl: 352.0	371.1	19.1	1.07	0.19	0.02
				352.00	355.45	3.45	2.09	0.53	0.03
				364.0	371.1	7.1	1.65	0.22	0.02
216	450133mE8 883403mN	090 / -71	329.1				*	*	*

Note:

** - Assays Pending*

Intervals represent core lengths, not necessarily true widths.

Pt, Pd and Au assay results are not reported because in general, they are less than 1.0 g/t on a combined basis.

NSA – No Significant Assays

