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

May 31, 2011

Item 3 News Release

The press release attached as Schedule A was released over Marketwire on May 31, 2011.

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

Gary A. Hill, CFO
Continental Nickel Limited
Tel: (905) 815-0533 X225

Item 9 Date of Report

June 6, 2011

CONTINENTAL
Nickel Limited

Schedule A

Continental Nickel Announces Non-Brokered $5.0 Million Private Placement Financing

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Toronto, Ontario (May 31, 2011): Continental Nickel Limited (TSXV:CNI) ("Continental" or the "Company") announces a non-brokered private placement of up to $5,000,800 consisting of the sale of 3,572,000 shares at a price of $1.40 - per share.

The Company intends to use the net proceeds of the Offering for further exploration of its Nachingwea nickel project in Tanzania as well as for general corporate activities.

The securities issued pursuant to the Offering will be subject to a 4 month statutory hold period from closing and the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons as defined under applicable securities laws unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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 75% interest in the Nachingwea project in Tanzania, where NI 43-101 compliant Mineral Resources (Measured and Indicated) have defined 60,900 tonnes of contained nickel, and an additional 131,000 tonnes of contained nickel in Inferred Mineral Resources. The project is a 75:25 exploration joint venture between the Company and IMX Resources Limited of Australia.

The Company also has an option to joint venture on the St. Stephen project in New Brunswick, Canada where the 2010 diamond drill program discovered new Ni-Cu sulphide zones.

Continental Nickel Limited has 39,126,508 shares issued and outstanding (46,559,914 - on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well funded with over C$8.7 million in the treasury as at March 31, 2011.

On behalf of
Continental Nickel Limited

"John Nitschke"
Chairman and Acting CEO

For further information please contact:

Continental Nickel Limited
John Nitschke
Chairman and Acting CEO
Tel: 011-61-407-081-446
Fax: (905) 815-0532
E: info@continentalnickel.com
Web site: www.continentalnickel.com