

**TECHNICAL REPORT ON THE
PREMIERE RIDGE PROJECT,
BOWELL TOWNSHIP,
SUDBURY MINING DISTRICT,
ONTARIO, CANADA**

PREPARED FOR FIRST NICKEL INC.

NI 43-101 Report

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1 SUMMARY

EXECUTIVE SUMMARY

Scott Wilson Roscoe Postle Associates Inc. (Scott Wilson RPA) was retained by First Nickel Inc. (FNI) to prepare a National Instrument 43-101 Technical Report on the Premiere Ridge Cu-Ni-Co-PGM Project (the Project), in Bowell Township, approximately 35 km northwest of Sudbury, Ontario. This Report is based on the Feasibility Study for an underground operation at Premiere Ridge, completed by Scott Wilson RPA on June 29, 2007. FNI is a Canadian junior mining company that owns the Lockerby nickel-copper mine near Sudbury, Ontario.

The Project comprises development of an underground mine, averaging approximately 230,000 tonnes of ore per year, with a peak capacity of approximately 300,000 tonnes of ore per year, producing nickel, copper, cobalt, and PGMs. Approximately 1.15 million tonnes of ore at a grade of 1.33% nickel and 0.53% copper, plus cobalt and PGMs, will be extracted over a five year mine life, and the ore will be processed at Xstrata's Strathcona mill.

The initial capital investment to achieve production is estimated to be \$47 million. On the basis of average metal prices over the mine life of US\$8.61 per pound Ni, US\$2.22 per pound Cu, and US\$9.11 per pound Co, the pre-tax net present value of the project at a 10% discount rate is estimated to be \$14.3 million. The unit cash cost of production is US\$5.49 per pound of nickel, net of by-product credits. Including capital costs, the total production cost is US\$7.42 per pound of nickel.

In the course of the analysis of the Project, Scott Wilson RPA has identified the following risks and opportunities.

RISKS

- The success of the Project is tied directly to taking advantage of current high commodity prices. A delay of one year will have a significant deleterious effect on the rate of return of the Project. For this reason, the project schedule