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19 November 2007

The Manager
Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000 Pages: 21

By Electronic Lodgement

Dear Sir

Continental Nickel Ltd (Canada) – September Quarter Financial Statements

Please find attached the September Quarterly filing of Continental Nickel Ltd with the Canadian Securities Administration, Sedar Filing System.

The filing consists of four documents:

- Certificate – Chief Executive Officer
- Certificate – Chief Financial Officer
- Unaudited interim consolidated financial statements
- Management discussion and analysis.

Yours faithfully

K. G. France

KIMBERLY G FRANCE
COMPANY SECRETARY

Form 52-109F2 - Certification of Interim Filings

I, **Craig S. MacDougall, the Chief Executive Officer of Continental Nickel Limited**, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Continental Nickel Limited** (the issuer) for the interim period ending **September 30, 2007**;

2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;

3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:

   (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and

   (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and

5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 16, 2007

Signed: "Craig S. MacDougall"

____

Craig S. MacDougall
Chief Executive Officer

Form 52-109F2 - Certification of Interim Filings

I, **Gary A. Hill, the Chief Financial Officer of Continental Nickel Limited**, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of **Continental Nickel Limited** (the issuer) for the interim period ending **September 30, 2007**;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
   (a) designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared; and
   (b) designed such internal control over financial reporting, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 16, 2007

Signed: "Gary A. Hill"

Gary A. Hill,
Chief Financial Officer

CONTINENTAL NICKEL LIMITED
(An Exploration Stage Company)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER REPORT FOR FISCAL 2008

FOR THE PERIOD ENDED SEPTEMBER 30, 2007

(Expressed in Canadian Dollars)

CONTINENTAL NICKEL LIMITED
(An Exploration Stage Company)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER REPORT FOR FISCAL 2008

FOR THE PERIOD ENDED SEPTEMBER 30, 2007

(Expressed in Canadian Dollars)

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CONTINENTAL NICKEL LIMITED
(An Exploration Stage Company)
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2007
(Expressed in Canadian Dollars)

(unaudited)

		Sep 30, 2007		Jun 30, 2007 (Audited)
Assets				
Current				
Cash and cash equivalents	**$**	**15,988,914**	$	2,713
Prepaid expenses and accrued receivable		**104,512**		22,680
GST receivable		**33,671**		14,129
		16,127,097		39,522
Equipment (Note 2)		**45,376**		46,691
Deferred financing costs		**-**		482,313
	$	**16,172,473**	$	568,526
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**1,019,069**	$	341,128
Due to related party (Note 6)		**391,342**		1,140,404
		1,410,411		1,481,532
Capital stock and deficit				
Share capital (Note 8(b))		**16,348,322**		1
Warrants (Note 8(d))		**615,684**		-
Contributed surplus (Note 8(e))		**84,830**		-
Deficit		**(2,286,774)**		(913,007)
		14,762,062		(913,006)
	$	**16,172,473**	$	568,526

Business continuance (Note 1)

Commitments (Notes 3 and 5)

APPROVED ON BEHALF OF THE BOARD:

Signed *"Craig MacDougall"*, Director

Signed *"Paul Martin"*, Director

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

CONTINENTAL NICKEL LIMITED

(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
(Expressed in Canadian Dollars)

(unaudited)

	FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2007
Expenses:	
Amortization	**$ 7,425**
Consulting fees	**7,920**
Directors' fees	**15,500**
Exploration expenditures (Note 3)	**1,260,465**
Investor relations	**14,920**
Office and general	**15,437**
Professional fees	**18,315**
Regulatory fees	**46,259**
Rent	**2,332**
Salaries and benefits	**72,542**
Stock-based compensation	**84,830**
	$ (1,545,945)
Other income:	
Interest income	**$ 139,940**
Gain on foreign exchange	**32,238**
	$ 172,178
(Loss) and comprehensive (loss) for the period	**$ (1,373,767)**
Deficit, beginning of period	**(913,007)**
Deficit, end of period	**$ (2,286,774)**
(Loss) per share – Basic and fully diluted	**$ (0.06)**
Weighted average number of shares outstanding	**22,533,000**

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

CONTINENTAL NICKEL LIMITED
(An Exploration Stage Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

(unaudited)

	FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2007
Cash flows from the following activities:	
Operating	
Loss for the period	$ (1,373,767)
Non-cash items:	
Amortization	7,425
Accrued interest	(40,606)
Stock-based compensation	84,830
	(1,322,118)
Net change in non-cash working capital (Note 7)	596,123
	(725,995)
Investing	
Purchase of equipment	(1,686)
	(1,686)
Financing	
Issuance of common shares	18,975,000
Due to related party	(749,062)
Share issue costs	(1,512,056)
	16,713,882
Increase in cash and cash equivalents	$ 15,986,201
Cash and cash equivalents, beginning of period	2,713
Cash and cash equivalents, end of period	$ 15,988,914
Cash and cash equivalents consist of:	
Cash	$ 177,149
Cash equivalents	15,811,765
Cash and cash equivalents, end of period	$ 15,988,914

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

1. NATURE OF OPERATIONS AND BUSINESS CONTINUANCE

Continental Nickel Limited (the "Company", or "Continental") was incorporated under the federal laws of Canada on November 23, 2006 and the principal business activity is the acquisition and exploration of mineral properties. Continental's primary asset is its 70%-owned subsidiary, Ngwena Limited.

The Company is in the exploration stage, is in the process of exploring its resource properties and has yet to determine whether the properties contain reserves that are economically recoverable.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Nachingwea Property is located outside of North America and is subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.

The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company's exploration programs will result in profitable mining operations. Until it is determined that the Nachingwea Property contains mineral reserves or resources that can be economically mined, it is classified as an exploration resource. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain the necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and attaining profitable production.

These unaudited interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The unaudited interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all the information and disclosures required by Canadian GAAP for annual consolidated financial statements. The preparation of these interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the annual consolidated financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these consolidated financial statements. Operating results for the period ended September 30, 2007 are not necessarily indicative of the results that may be expected for the full year ended June 30, 2008. For further information, see the Company's consolidated financial statements including the notes thereto for the period from incorporation (November 23, 2007) to June 30, 2007.

Continued…

(Expressed in Canadian Dollars)

2. EQUIPMENT

	As at September 30, 2007		
	Cost	**Accumulated Amortization**	**Net Book Value**
Computer equipment	**$ 10,313**	**$ 1,690**	**$ 8,623**
Computer software	**51,473**	**14,720**	**36,753**
	$ 61,786	**$ 16,410**	**$ 45,376**

	As at June 30, 2007 (Audited)		
	Cost	**Accumulated Amortization**	**Net Book Value**
Computer equipment	$ 4,203	$ 700	$ 3,503
Computer software	51,473	8,285	43,188
	$ 55,676	$ 8,985	$ 46,691

3. EXPLORATION EXPENDITURES

All exploration and development costs associated with mineral properties are expensed as no proven and probable reserve has been identified. Costs relating to mineral properties are summarized as follows:

	Cumulative to September 30, 2007	Incurred during period	Incurred prior to June 30, 2007
Nachingwea Property, Tanzania			
General and geology	$ 506,718	$ 163,523	$ 343,195
Geophysics and geochemistry	200,577	196,214	4,363
Drilling	842,522	842,522	-
Health and environment	9,175	8,237	938
Camp operations	101,404	14,985	86,419
Property maintenance	110,009	34,984	75,025
	$ 1,770,405	$ 1,260,465	$ 509,940

Goldstream Mining NL ("Goldstream"), the Company's parent, is the beneficial owner of certain Mineral Rights in Tanzania, which it restructured into project specific entities. Pursuant to an agreement dated February 28, 2007, Ngwena Limited (“Ngwena”), then a subsidiary of Goldstream, purchased the Nachingwea Mineral Rights (the "Rights"), for consideration of US$1,000 from Warthog Resources (Tanzania) Limited, another wholly-owned subsidiary of Goldstream, incorporated under the laws of Tanzania.

It was further agreed that the Company would subscribe for 70% of the issued and outstanding shares of Ngwena in consideration of one thousand Tanzanian Shillings per share (or approximately $62) (Note 4) and enter into a shareholder agreement dated February 28, 2007 in order to document the obligations of the Company and Goldstream for the exploration and development of the Nachingwea Property. Continental has committed to solely fund, and to use its best efforts to complete, a minimum exploration program of $8,000,000 by April 7, 2009 or as soon as practical pursuant to the shareholder agreement. Once the Company has spent at least $4,500,000, the Company may elect to notify Goldstream of its intention to stop funding the balance of the minimum $8,000,000 exploration program.

Continued…

(Expressed in Canadian Dollars)

3. EXPLORATION EXPENDITURES (continued):

However, the Company retains the obligation to solely fund additional expenditures, to the earlier of either a) completion of a feasibility study or b) aggregate expenditures of $15,000,000. This further spending will earn the Company an additional 5% interest in the project, bringing its total ownership to 75%. Should the Company complete both a) and b), it will earn an additional 5%, bringing its total interest to 80% of the project.

Upon completion of a) and b), the Company and Goldstream must fund future work programs pro-rata or dilute its interest. Once mineral exploration interests are fully granted pursuant to the Mining Act (1998) of the United Republic of Tanzania, the Nachingwea Property will have minimum expenditure obligations of US$2,480,000 per annum. If the Company is not able to fund these minimum expenditures it may not be able to maintain part or all of the property interests.

The Nachingwea Property consists of mineral exploration interests comprised of seventeen (17) granted prospecting licenses (“PL”), two (2) offered PL reconnaissance, one (1) offered PL, twenty (20) applications for PLs and two (2) applications for PLs reconnaissance, totaling 7,565 km^2 in area and located near Nachingwea in the Lindi and Mtwara Regions of southeastern Tanzania. The Nachingwea Property is subject to royalties payable to the Government of Tanzania at the rate of 3% of any mineral production other than diamond production.

4. ACQUISITION OF INTEREST IN NGWENA LIMITED

On February 28, 2007, the Company subscribed for 70% of the outstanding shares of Ngwena (See Note 3). At the time of the transaction Ngwena was a wholly owned subsidiary of Goldstream. Since the transaction was not in the normal course of operations and there was no change in the beneficial ownership of Ngwena, the transaction was recorded at the carrying amount of the assets and liabilities of Ngwena.

The net assets acquired at carrying values are as follows:

Working capital deficiency, including cash of $138	$ (21,445)
Resource property	1,161
Net liabilities assumed	(20,284)
Cash paid	62
Net liabilities assumed in excess of cash paid	$ (20,222)

The excess of the consideration paid over the net assets acquired was charged to deficit. In accordance with the Company’s accounting policies, the exploration cost related to the resource property was written off to deficit.

Continued…

(Expressed in Canadian Dollars)

5. COMMITMENTS

a) Pursuant to the agreement referred to in Note 3, the Company, to maintain its property interest, must fund the first and second stage exploration work programs up to a minimum amount of $8,000,000 on or before April 7, 2009 unless, once the Company has spent at least $4,500,000, the Company may elect to notify Goldstream of its intention to stop funding the balance of the minimum $8,000,000 exploration program. However, to maintain its property interest the Company retains the obligation to solely fund additional expenditures to the sooner of either completion of a feasibility study or aggregate expenditures of $15,000,000. Amounts paid pursuant to this agreement will be recorded as incurred. As at September 30, 2007 the Company had funded $1,770,405 on the exploration program.

b) Once mineral exploration interests are fully granted pursuant to the Mining Act (1998) of Tanzania, the Nachingwea Property will have minimum expenditure obligations of US$2,480,000 per annum (Note 3).

c) On November 1, 2007, the Company entered into a lease for office premises which expires December 31, 2010. Minimum rental commitments under this lease approximate $93,984 including $23,496 due within one year, $31,328 due in 2009, $31,328 due in 2010 and $7,832 due in 2011. The Company is also responsible for its proportionate share of operating costs.

6. RELATED PARTY TRANSACTIONS

For the period July 1, 2007 to September 30, 2007, Goldstream made advances of $390,181 (AU$442,282), which are unsecured, non-interest bearing and due on demand, to assist the Company with the efficient advancement of the Nachingwea exploration project.

Pursuant to the terms of an agreement effective January 1, 2007, Ellingham Consulting Ltd. ("ECL") was engaged to provide corporate finance advisory services relating to the IPO (Note 8(b)(ii)). Under the terms, ECL was to receive a cash fee of $35,000 on the date of filing the preliminary prospectus in Canada and a further $40,000 to be paid at the closing of the Canadian IPO, which fees have subsequently been paid in full. Pursuant to the agreement, ECL has been issued 250,000 warrants upon closing of the IPO, to acquire common shares of the Company, exercisable at $1.50 for a period of 24 months following the listing on a recognized Canadian exchange. ECL is owned and operated by a director of the Company.

7. SUPPLEMENTAL CASH FLOW INFORMATION

		September 30, 2007
Net changes in non-cash working capital		
Prepaid expenses and accrued receivable	**$**	**(41,226)**
GST receivable		**(19,542)**
Accounts payable and accrued expenses		**656,891**
	$	**596,123**
Interest paid	$	1,308
Income taxes paid		-
Accrued share issue costs		32,503
Accrued equipment		4,424
Issuance of warrants for share issue costs		615,684

Continued…

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

a) Authorized

Unlimited number of voting common shares without nominal or par value.

b) Common shares issued

	Shares	Amount
Balance, June 30, 2007 (i)	14,283,000	1
Initial Public Offering (ii)	12,650,000	18,975,000
Share issue costs	-	(2,626,679)
Balance, September 30, 2007	26,933,000	16,348,322

(i) During the period ended September 30, 2007, the Company filed articles of amendment to split the single common share on a 1:14,283,000 basis. After considering the effect of the stock split, the Company had 14,283,000 common shares outstanding as at June 30, 2007. All references to common shares and per share amounts for all periods presented have been retroactively restated to reflect the share split.

(ii) The Initial Public Offering ("IPO") of Continental shares, which included an Australian Sub-Offering of Continental shares to the shareholders of Goldstream, closed on August 2, 2007. The offering raised total gross proceeds of $18,975,000, including $3,850,000 raised from the Australian Sub-Offering at a price of $1.50 per share for a total of 12,650,000 common shares, after the syndicate of selling agents elected to exercise their over-allotment option. The Australian Sub-Offering closed on July 30, 2007. A cash commission of $1,233,375 was paid equal to 6.5% of the gross proceeds, 655,417 broker warrants and 250,000 finder warrants were issued, each whole broker and finder warrant entitling the holder to acquire one common share for $1.50 until August 2, 2009 and August 6, 2009 respectively.

c) Stock options

The Company has a stock option plan which was adopted May 15, 2007 for the purchase of common shares for its directors, officers, employees and other service providers. The aggregate number of common shares reserved for issuance under the stock option plan is a maximum of 10% of the issued and outstanding common shares of the Company. No one person shall be granted options representing more than 5% of the issued and outstanding common shares of the Company. Option grants to persons providing investor relations services may not exceed 2% of the issued and outstanding share capital and must vest over a 12-month period with no more than 25% of the options vesting in any quarter. The options are non-assignable and non-transferable and may be granted for a term not exceeding five years. The exercise price of the options is fixed by the board of directors of the Company and shall be determined on the basis of the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

Options to purchase 1,500,000 common shares at an exercise price of $1.50 were granted to directors and officers of the Company on July 6, 2007. The options will expire five years after the date the common shares are listed on the TSX-V and are subject to vesting as to one third of the options on each of December 1, 2007, December 1, 2008 and December 1, 2009.

Continued…

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued):

$84,830 in stock based compensation costs was expensed in the three months ended September 30, 2007. The following assumptions were used in calculating the fair value of options granted, using the Black-Scholes option pricing model: expected dividend yield of 0%, expected volatility of 0%, risk-free interest rate of 4.29%, vesting period of eight hundred seventy-eight (878) days and expected life of five (5) years. Since the Company's shares were not publicly traded at the time of the option grant, the Company is eligible to use the "minimum value" under section 3870 of the CICA's Handbook which assumes a volatility of 0%. The balance of $350,170 will be expensed in fiscal years 2008, 2009 and 2010 as options vest.

A summary of the Company's stock options at September 30, 2007 is presented below:

Number of options granted and outstanding	Exercise price Cdn$	Options exercisable at September 30, 2007	Expiry date
1,500,000	$1.50	-	August 6, 2012

d) Warrants

As a result of the IPO of Continental shares (Note 8(b)) which closed on August 2, 2007, 250,000 finder's warrants and 655,417 broker warrants exercisable at $1.50 per warrant were issued on August 6, 2007 and August 2, 2007 respectively.

$615,684 in stock based compensation costs was allocated to share issue costs in the three months ended September 30, 2007 as the warrants were issued as part of the completion of the IPO. The following assumptions were used in calculating the fair value of warrants granted, using the Black-Scholes option pricing model: expected dividend yield of 0%, expected volatility of 80%, risk-free interest rate of 4.29% and expected life of two (2) years.

A summary of the Company's warrants at September 30, 2007 is presented below:

Number of warrants granted and outstanding	Weighted average exercise price	Warrants exercisable at September 30, 2007	Expiry date
655,417	$1.50	655,417	August 2, 2009
250,000	$1.50	250,000	August 6, 2009
905,417	$1.50	905,417	

e) Contributed surplus

A summary of the Company's contributed surplus at September 30, 2007 is presented below:

Balance, June 30, 2007	$	-
Value attributed to stock options granted during the period (Note 8(c))		84,830
Balance, September 30, 2007		84,830

Continued…

9. FINANCIAL INSTRUMENTS

a) Fair value
The Company has determined the estimated fair value of its financial instruments based on estimates and assumptions. The actual results may differ from those estimates and the use of different assumptions or methodologies may have a material effect on the estimated fair value amounts.

The fair value of cash and cash equivalents, accrued receivable, GST receivable, accounts payable and accrued liabilities, and due to related party are comparable to their carrying value due to the relatively short period to maturity of these instruments.

b) Credit risk
The Company does not have any material risk exposure to any single debtor or group of debtors.

c) Commodity price risk
The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

d) Foreign exchange risk
Certain of the Company's expenses are incurred in United States, Australian and Tanzanian currencies and are therefore subject to gains or losses due to fluctuations in these currencies.

10. INCOME TAXES

The Company utilizes the asset and liability method of accounting for income taxes. The estimated taxable income for the period is $Nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Company will realize the benefits from future income tax assets. Consequently, the future recovery arising from differences in tax values and accounting values have been reduced by an equivalent estimated taxable temporary difference valuation allowance. This estimated taxable temporary difference valuation allowance will be adjusted in the period that it can be determined that it is more likely than not that some or all of the future tax assets or future tax liabilities will be realized.

For further information about the Company’s losses for tax purposes, refer to the audited June 30, 2007 consolidated financial statements. The benefits of these losses and the estimated loss for the period are not recognized in these financial statements.

Continued…

(Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION

The Company's principal operations are the acquisition, exploration and development, and mining of mineral properties in Tanzania.

FOR THE PERIOD ENDED SEPTEMBER 30, 2007

	Canada	Tanzania	Consolidated
Other income	**172,1**		**172,178**
Expenditures			
Amortization	3,5	3,	7,425
Consulting fees	7,9		7,920
Directors' fees	15,5		15,500
Exploration expenditures		1,260,	1,260,465
Investor relations	14,9		14,920
Office and general	15,4		15,437
Professional fees	18,3		18,315
Regulatory fees	46,2		46,259
Rent	2,3		2,332
Salaries and benefits	72,5		72,542
Stock-based compensation	84,8		84,830
	281,6	1,264,	1,545,945
Loss and comprehensive loss before non-controlling interest	109,4	1,264,	1,373,767
AS AT SEPTEMBER 30, 2007			
Total Assets	**16,149,6**	**22,**	**16,172,473**

Management's Discussion and Analysis

November 16, 2007

The following management's discussion and analysis should be read in conjunction with the consolidated financial statements and notes thereto for the period ended September 30, 2007 and prepared in accordance with Canadian generally accepted accounting principles (GAAP). Additional information relating to Continental Nickel Limited ("Continental" or the "Company") can be found on SEDAR at www.sedar.com.

All amounts in the management's discussion and analysis, financial statements and related notes are expressed in Canadian dollars, unless otherwise noted.

This document includes forward-looking statements that involve certain risks, uncertainties and other factors which could cause actual results, performance or achievements to differ materially from anticipated or future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could affect these statements include, without limitation, financing, personnel, metal prices, exploration and development, political conditions, title matters, permits and licenses, social and environmental, competition and currency fluctuations. These factors and other risks and uncertainties are detailed in the Company's Annual Report and in the reports and disclosure documents filed by Continental from time-to-time with Canadian securities regulatory authorities.

Overview

Continental is a Canadian-based mineral exploration company engaged in the acquisition and exploration of base metal properties. Continental was incorporated under the federal laws of Canada on November 23, 2006 as a subsidiary of Australia-based Goldstream Mining NL ("Goldstream") in order to fund and undertake exploration. Continental's principal asset is a 70% controlling interest in Ngwena Limited ("Ngwena"), a company incorporated under the laws of the United Republic of Tanzania, Africa ("Tanzania") and the holder/applicant of a nickel exploration property totaling 7,565 km^2 at September 30, 2007, located in Tanzania (the "Nachingwea Project"). Goldstream owns the remaining 30% interest in Ngwena. The Company is in the process of exploring its resource properties and has yet to determine whether the properties contain resources that are economically recoverable.

The Company completed an Initial Public Offering, including an Australian Sub-Offering of Continental shares to the shareholders of Goldstream, which closed on August 2, 2007. The offering raised total gross proceeds of C$18,975,000, including C$3,850,000 raised from the Australian Sub-Offering, after the syndicate of selling agents elected to exercise their over-allotment option. The Australian Sub-Offering closed on July 30, 2007.

Results of Operations

Goldstream, the Company's parent, is the beneficial owner of certain Mineral Rights in Tanzania, which it restructured into project specific entities. Pursuant to an agreement dated February 28, 2007, Ngwena, then a subsidiary of Goldstream, purchased the Nachingwea Mineral Rights (the "Rights"), for consideration of US$1,000 from Warthog Resources (Tanzania) Limited, another wholly-owned subsidiary of Goldstream, incorporated under the laws of Tanzania.

It was further agreed that the Company would subscribe for 70% of the issued and outstanding shares of Ngwena in consideration of one thousand Tanzanian Shillings per share (or approximately $62) and enter into a shareholder agreement dated February 28, 2007 in order to document the obligations of the Company and Goldstream for the exploration and development of the Nachingwea Property. Continental has committed to solely fund, and to use its best efforts to complete, a minimum exploration program of $8,000,000 by April 7, 2009 or as soon as practical pursuant to the shareholder agreement.

As at September 30, 2007 the Company has funded $1,770,405 on the exploration program. Once the Company has spent at least $4,500,000, the Company may elect to notify Goldstream of its intention to stop funding the balance of the minimum $8,000,000 exploration program. However, the Company retains the obligation to solely fund additional expenditures, until the sooner of either a) completion of a feasibility study or b) aggregate expenditures of $15,000,000 in order to earn an additional 5% interest in the project, bringing its total ownership to 75%. Should the Company complete both a) and b) above, it will earn an additional 5%, bringing its total interest to 80% of the project. Upon completion of a) and b), the Company and Goldstream must fund future work programs pro-rata or dilute its interest.

Results of Operations (continued):

The drill program's initial focus is further evaluation of high grade nickel sulphide mineralization initially discovered by Goldstream in 2006. As reported by Goldstream, drill hole NAD013 returned 11.23% Ni, and 1.74% Cu over a core length of 3.0m and an additional 11 holes in the area had intersections of >0.5% Ni. The current 7,500-10,000 metre drill program will evaluate targets in and around the area of the discovery. Results will be released as analytical data are received, validated and compiled.

In addition to the drill program, an extensive ground electromagnetic (EM) geophysical survey by Crone Geophysics & Exploration Ltd. of Mississauga, Ontario ("Crone") has commenced over the Ntaka intrusion which hosts the nickel sulphide mineralization described above. Conductive targets identified will be modeled and prioritized for drill testing in the current program.

During the first phase of the ground EM survey, a total of 75 line kms from eleven (11) fixed loop configurations were completed by the end of September. The survey focused on the evaluation of numerous conductive targets identified in the Goldstream 2005 airborne VTEM survey in the Ntaka intrusion area. Twelve (12) priority targets exhibiting moderate to high conductance have been identified for testing, including a target coincident with the mineralization intersected in 2006 by the Goldstream drill hole NAD013.

Diamond drilling commenced during the quarter and two drills are currently operating at site. Twenty-two (22) drill holes totalling 3,826m were completed by September 30, 2007. Drilling, initially focused on evaluation of the mineralization intersected in hole NAD013 with short step out holes along strike and down dip, has since moved on to test the various targets identified from the Crone survey. To September 30, 2007 eight (8) of the conductive targets have been tested. All of the targets tested have returned intervals of sulphide mineralization for which we are awaiting assays.

By September 30, 2007 a total of nine hundred thirty (930) core samples have been submitted for analysis; however, we are currently experiencing significant delays at the lab in the order of six weeks for assay turnaround times.

The VTEM airborne survey contracted to Geotech Airborne Limited has been delayed until the revised start date of Oct 20, 2007.

A bull dozer was mobilized to site and commissioned to fill in and reclaim the area of the artisanal miner pits excavated at the Ntaka Cu oxide showing. The area has been the subject of sporadic artisanal mining activities over time. There are no current illegal mining activities at the prospect and we continue to have the full cooperation of the government authorities addressing the issue.

Five new prospecting licences ("PLs") were granted during the quarter bringing the total to seventeen (17) granted PLs totalling 3,199 sq km. Hence Nachingwea Property mineral exploration interests comprised, as at September 30, 2007, seventeen (17) granted PLs, two (2) offered PL reconnaissance, one (1) offered PL, twenty (20) applications for PLs and two (2) applications for PLs reconnaissance, totalling 7,565 km^2 in area and located near Nachingwea in the Lindi and Mtwara Regions of south-eastern Tanzania. The Nachingwea Property is subject to royalties payable to the Government of Tanzania at the rate of 3% of any mineral production other than diamond production.

The Company has budgeted $9,500,000 over the two fiscal years 2008 and 2009 for exploration including diamond drilling, regional airborne magnetic and EM surveys, ground EM surveys, geological mapping and geochemical sampling.

Expenditures

As at September 30, 2007 Continental has incurred a cumulative total of $1,770,405 in expenditures on technical studies and exploration on the Nachingwea Property. Further expenditures include share issue costs totaling $2,626,679.

Operating Activities

The Company recorded a net loss for the period ended September 30, 2007 of $1,373,767. Expenses totaled $1,545,945, including exploration expenditures of $1,260,465, reflecting the Company's initial progress toward exploration of the Nachingwea Property. Professional fees totaled $18,315, compensation $72,542 and office and general costs $15,437.

Operating Activities (continued):

As the Company does not yet have revenue from operations, losses are expected to continue for the foreseeable future.

Quarterly Information

The company was incorporated on November 23, 2006 and was inactive until the third quarter of 2007.

Quarter ended:	Mar 31, 2007	Jun 30, 2007	Sep 30, 2007
Income Statement			
Loss	426,600	486,407	1,373,767
Loss per share	$0.03	$0.03	$0.06
Balance Sheet			
Working capital	(574,909)	(1,442,010)	14,716,686
Total assets	468,272	568,526	16,172,473

Liquidity and Capital Resources

The Company completed an Initial Public Offering on August 2, 2007 for gross proceeds of $18,975,000 which are being used to fund the Company's contractual commitments, exploration and administration costs and to re-pay advances from Goldstream.

As at September 30, 2007 the Company had a working capital of $14,716,686. Cash and cash equivalents at September 30, 2007 totaled $15,988,914.

Contractual Obligations

Pursuant to the agreement referred to in Note 5 of the financial statements, the Company, to maintain its property interest, must fund the first and second stage exploration work programs up to a minimum amount of $8,000,000 on or before April 7, 2009 unless, once the Company has spent at least $4,500,000 it elects to notify Goldstream of its intention to stop funding the balance of the minimum $8,000,000 exploration program. However, to maintain its property interest the Company retains the obligation to solely fund additional expenditures to the sooner of either completion of a feasibility study or aggregate expenditures of $15,000,000.

Once mineral exploration interests are fully granted pursuant to the Mining Act (1998) of Tanzania, the Nachingwea Property will have minimum expenditure obligations of US$2,480,000 per annum. If the Company is not able to fund these minimum expenditures it may not be able to maintain part or all of the property interests.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

The Company entered into agreements with Goldstream, summarized above under Results of Operations.

For the period July 1, 2007 to September 30, 2007 Goldstream made advances of $390,181 (AU$442,282) to assist the Company with the efficient advancement of the Nachingwea exploration project. These advances are unsecured, non-interest bearing and due on demand.

Pursuant to the terms of an agreement effective January 1, 2007, Ellingham Consulting Ltd. ("ECL") was engaged to provide corporate finance advisory services relating to the IPO. Under the terms, ECL was to receive a cash fee of $35,000 on the date of filing the preliminary prospectus in Canada and a further $40,000 to be paid at the closing of the Canadian IPO, which fees have subsequently been paid in full. Pursuant to the agreement, ECL has been issued 250,000 warrants upon closing of the IPO, to acquire that number of securities identical to the IPO securities offered. Each warrant will be exercisable at the IPO issue price for a period of 24 months following the listing on a recognized Canadian exchange. ECL is owned and operated by a director of the Company.

Outstanding Share Data

As at September 30, 2007 Continental has a total of 26,933,000 common shares issued and outstanding, of which 14,283,000 shares are held by Goldstream, representing 53% of the issued and outstanding shares. A further 2,405,417 shares are subject to issuance consisting of 1,500,000 management incentive options held by directors, officers and employees exercisable at C$1.50 per share until the fifth anniversary of listing on the TSXV, 250,000 Finder's Warrants and 655,417 broker warrants exercisable at C$1.50 per warrant until the second anniversary of listing on the TSXV, for a total of 29,338,417 shares outstanding on a fully diluted basis.

At June 30, 2007 one (1) common share was issued and outstanding for $1, fully paid and non-assessable and registered in the name of Goldstream.

Subsequent to June 30, 2007, the Company filed articles of amendment to split the single common share on a 1:14,283,000 basis. After considering the effect of the stock split, the Company had 14,283,000 common shares outstanding as at June 30, 2007. All references to common shares and per share amounts for all periods presented have been retroactively restated to reflect the share split.

The Initial Public Offering ("IPO") of Continental shares, which included an Australian Sub-Offering of Continental shares to the shareholders of Goldstream, closed on August 2, 2007. The offering raised total gross proceeds of $18,975,000 million, including $3,850,000 raised from the Australian Sub-Offering at a price of $1.50 per share for a total of 12,650,000 common shares, after the syndicate of selling agents elected to exercise their over-allotment option. The Australian Sub-Offering closed on July 30, 2007. A cash commission of $1,233,375 was paid equal to 6.5% of the gross proceeds and 655,417 broker warrants were issued, each whole broker warrant entitling the holder to acquire one common share for $1.50 until August 2, 2009.

A stock option plan was adopted May 15, 2007. Options to purchase 1,500,000 common shares at an exercise price of $1.50 were granted to directors and officers of the Company on July 9, 2007. The options will expire five years after the date the common shares are listed on the TSX-V and are subject to vesting as to one third of the options on each of December 1, 2007, December 1, 2008 and December 1, 2009.

The common shares of the Company commenced trading August 7, 2007 on the TSX Venture Exchange ("TSXV") under the symbol "CNI". Continental does not intend to list in Australia.

Financial Summary

The following table summarizes financial data for the period ended September 30, 2007.

Income Statement	
Expenses	$1,545,945
Other income (expenses)	172,178
Loss and comprehensive loss for the period	1,373,767
Balance Sheet	
Working capital	14,716,686
Current assets	16,127,097
Equipment	45,376
Total assets	16,172,473
Current liabilities	1,410,411
Net Share capital	16,348,322
Statement of Cash Flows	
Cash flow from financing activities	16,713,882

Outlook

The company has attracted solid senior management and strong technical and support teams to implement the exploration program in Tanzania. The success of its Initial Public Offering has placed Continental in a very strong financial position to pursue its exploration program despite recent market volatility.

Based on the favourable geologic environment and the highly encouraging results obtained by Goldstream in 2006, Continental is pursuing an aggressive $9,500,000 exploration program, currently well underway. The program is initially focusing on a detailed evaluation of the Ntaka intrusion for the presence of a significant nickel sulphide deposit, as well as evaluation of the regionally extensive property holdings for other prospective nickel sulphide targets. The program will include some 22,000 m of diamond drilling, 9,000 line kms of airborne magnetic/electromagnetic survey, 200 line kms of ground electromagnetic surveys, geological mapping and geochemical sampling. Results will be released as they are received and validated on an ongoing basis.

As at November 16, 2007, the company's outstanding equity instruments were:

Common shares	26,933,000
Warrants	905,417
Stock options	1,500,000

Disclosure and Internal Controls

The Company maintains a system of internal controls over financial reporting designed to safeguard assets and ensure financial information is reliable. Continental will undertake ongoing evaluations of the effectiveness of internal controls over financial reporting and implement control enhancements where appropriate to improve the effectiveness of controls. The Company also maintains a system of disclosure controls and procedures designed to ensure the reliability, completeness and timeliness of the information disclosed in this management's discussion and analysis and other public disclosure documents. Disclosure controls and procedures are designed to ensure that information required to be disclosed is recorded, processed, summarized and reported on a timely basis, as required by laws and securities regulations.

Based on an evaluation of the Company's disclosure controls and procedures, the Chief Executive Officer and the Chief Financial Officer of the Company have concluded that as at September 30, 2007, the Company's disclosure controls and procedures are operating effectively.

Risk Factors

Risk factors and uncertainties are detailed in the Company's Annual Report dated October 18, 2007 and have not materially changed. However, as previously stated, an investment in the securities of the Company should be considered speculative due to the nature of the mineral exploration business in which the Corporation is engaged.

Forward-Looking Statements

This document includes forward-looking statements that involve certain risks, uncertainties and other factors which could cause actual results, performance or achievements to differ materially from anticipated or future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could affect these statements include, without limitation, financing, personnel, metal prices, exploration and development, political conditions, title matters, permits and licenses, social and environmental, competition and currency fluctuations.