

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Highland Resources Inc.
Suite 750 – 580 Hornby Street
Vancouver, B.C. V6C 3B6

Item 2 Date of Material Change

September 26, 2008

Item 3 News Release

Issued September 26, 2008 and distributed through Stockwatch and Market News.

Item 4 Summary of Material Change

The Company announced that the TSX Venture Exchange has accepted for filing the Company's qualifying transaction described in its filing statement dated September 16, 2008, as filed on SEDAR. As a result, at the market opening on Friday, September 26, 2008, the Company will no longer be considered a capital pool company and will be trading under the symbol "HI" as a Tier 2 issuer.

As previously announced on July 16, 2008 and September 17, 2008, Highland entered into a letter agreement with Desert Pacific Exploration Inc. ("Desert Pacific") dated June 24, 2008 for the option to acquire 81 mineral claims in Mineral County, Nevada known as the Montgomery Pass Property. Desert Pacific is a private company incorporated in Nevada, U.S.A. owned by Mr. Herb Duerr of Reno, Nevada. The Company has completed the qualifying transaction and has made the initial payment of \$10,000 and issued 25,000 common shares to Desert Pacific. In order to exercise the option, in addition to the cash and share payments already made, the Company must, over a five-year period:

- (i) make cash payments totalling an aggregate of \$237,500;
- (ii) commit to a total of \$3,850,000 in exploration expenditures;
- (iii) issue and allot an aggregate of 750,000 common shares of Highland to Desert Pacific.

Item 5 Full Description of Material Change

See attached news release.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

There are no significant facts required to be disclosed herein which have been omitted.

Item 8**Executive Officer**

Contact: Robert Eadie, President & Chief Executive Officer
Telephone: (604) 602-4935

Item 9**Date of Report**

September 26, 2008

HIGHLAND RESOURCES INC.

NEWS RELEASE

September 26, 2008

Trading Symbol: TSX.V – HI

Highland Completes Qualifying Transaction

Vancouver, British Columbia -- Highland Resources Inc. ("Highland" or the "Company") is pleased to announce that the TSX Venture Exchange has accepted for filing the Company's qualifying transaction described in its filing statement dated September 16, 2008, as filed on SEDAR. As a result, at the market opening on Friday, September 26, 2008, the Company will no longer be considered a capital pool company and will be trading under the symbol "HI" as a Tier 2 issuer.

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- (i) make cash payments totalling an aggregate of \$237,500;
- (ii) commit to a total of \$3,850,000 in exploration expenditures;
- (iii) issue and allot an aggregate of 750,000 common shares of Highland to Desert Pacific.

The Company's board of directors consists of Mr. Robert Eadie (also Chief Executive Officer), Mr. Gary Arca (also Chief Financial Officer), Gary Hawthorn (P. Eng.) and Kent Kirby. A total of 4,082,501 common shares of the Company are issued and outstanding.

The Company's Filing Statement on the qualifying transaction and the Technical Report on the Montgomery Pass Property can be viewed on www.sedar.com. The Filing Statement contains important information about the Company, the qualifying transaction, and the business of the Company following completion of the qualifying transaction, including risks and uncertainties related to the Company's business. Readers are encouraged to review the Filing Statement in its entirety.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

ON BEHALF OF THE BOARD

Signed "Robert Eadie"

Robert Eadie, Chief Executive Officer and Director

FOR FURTHER INFORMATION PLEASE CONTACT:

Telephone: 1-604-602-4935

Facsimile: 1-604-602-4936

Contact: Robert Eadie