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

January 5, 2010

Item 3 News Release

Issued in Vancouver, British Columbia on January 5, 2010 and distributed through Marketwire.

Item 4 Summary of Material Change

See attached news release.

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: Roger Blair, President
Telephone: (604) 602-4935

Item 9 Date of Report

January 5, 2010

HIGHLAND RESOURCES INC.

January 5, 2010 Trading Symbol: HI

NEWS RELEASE

Assay Results from Trenches on Highland's Rickaby Property in Thunder Bay's Mining District includes 27.20 g/t Gold over 0.50m in Channel Sampling

Vancouver, B.C. ... **Highland Resources Inc**. (the "Company") is pleased to report positive assay results from field work on the Rickaby Property (the "Property") that was completed during October and November by GeoVector Management Inc. of Ottawa, Ontario. The Property, comprised of 88 mineral claims over approximately 18,624 acres in the Beardmore-Geraldton Belt of the Thunder Bay Mining District, Ontario, is situated adjacent to Kodiak Exploration's Hercules gold project, where drill results included 15.59g/t gold over 16.60m (Kodiak, September 19, 2006), and channel sampling up to 32.96g/t gold over 11.60m (Kodiak, October 1st, 2007) has been reported.

The recent work consisted of prospecting, mechanical trenching, line cutting and ground IP, VLF and magnetic surveys. A total of 52 days were spent on the property from October 20th when prospecting began until December 10th when final geophysical surveying was completed. Results of the work were highly encouraging and the target areas explored are detailed below.

Zeus

As noted previously in a news release dated August 17th 2009, the Zeus area is directly north of mineralized veins on Kodiak's Hercules property. In the August release Highland reported a grab sample of a vein discovered during prospecting that returned 3.76 g/t gold. As reported in Highland's news release of November 4, 2009, this area was targeted for trenching to expose this vein. Prior to mechanical trenching, hand stripping of the area exposed more veining, and grab samples returned values of 6.54 g/t, 2.28 g/t 0.93 g/t and 0.78 g/t gold. Subsequent trenching with an excavator exposed a large sheared gabbroic host rock containing an area with an intense shear/quartz vein within it. This zone began with a NW strike and curved into a due east direction at the western end of the trench exposure.

Approximately 15 meters of strike length on the intense shear and veining was exposed within a trenched area that covers approximately 40 meters east/west and 30 meters north/south. The vein structure continues to trend to the west at the end of the trenched area. In total 222 channels were taken and sample grades ran from non-detectable gold up to 27.20 g/t gold. The channels covered the complete trench exposure, but only the intense shear/quartz vein zone contained positive gold results. Over a strike distance of 15 meters 6 channels crossed this zone with the following results:

Channel ZS-09 8	14.31 g/t gold over 1.0m, including 27.20 g/t Au over 0.50m
Channel ZS-09-9	9.71 g/t gold over 1.0m, including 18.90 g/t over 0.50m
Channel ZS-09-7	3.34 g/t gold over 1.0m
Channel ZS-09-10	2.47 g/t gold over 0.50m
Channel ZS-09-6	0.44 g/t gold over 0.50m
Channel ZS 09-5	0.38 g/t gold over 0.50m

The zone of mineralization shows excellent grade potential (up to 27.20 g/t gold), and good strike continuity. This is consistent with the style of mineralization described for the Hercules quartz vein zones. Highland will now drill target areas where this mineralization could "blow out" to greater width. To assist in drill targeting 2 grids (Zeus North and Zeus South) were cut over the trend of mineralization, and IP, Magnetic and VLF surveys were carried out. Once survey results are processed, these surveys will help us focus drilling scheduled to begin in January 2010.

Foisey Larson

This area has historic reports of a wide shear zone with low grade Au mineralization. Analysis of a 2008 VTEM and magnetic airborne survey showed that this zone has the potential to be 1.5 km long. This is likely the largest target on the property.

Mechanical trenching covering 45m of shear strike length (north-northwest) over 25m of shear thickness exposed mineralized shear over a 10-15 meter width over the entire 45m strike length exposed. This mineralized zone include thick zones of quartz veining. In total, 399 channel samples were taken. Of this number 157 samples had negligible Au. These were from the barren eastern side of the shear. In the mineralized portion of the shear, 199 samples graded better than 0.10 g/t gold up to a maximum of 2.73 g/t Au. Average grade over the entire 45m strike length was 0.51 g/t gold over an average 13meter width.

Highlights of the Foisey-Larson sampling include:

Channel LF-09-1	0.37 g/t gold over 15.5m, including 1.04 g/t Au over 4.0m
Channel LF-09-2/3	0.48 g/t gold over 13.1m, including 0.91 g/t Au over 5.1m
Channel LF-09-7/8/9	0.54 g/t gold over 13.5m, including 0.86 g/t Au over 4.0m
Channel LF-09-10/11/12	0.56 g/t gold over 13.5m, including 1.15 g/t Au over 3.0m
Channel LF-09-15/23	0.71 g/t gold over 9.5m, including 1.14 g/t Au over 1.5m
Channel LF-09-20	0.71 g/t gold over 7.5m, including 1.06 g/t over 2.5m
Channel LF-09-21	0.64 g/t gold over 8.5m, including 1.45 g/t over 1.5m

In addition to gold results, the zone has silver and molybdenum content. Silver is linearly related to gold and averages 4 g/t for every 1 g/t of gold. The molybdenum content is approximately 0.025% Mo within the mineralized shear zone. Both these elements are significant accessories to the gold.

This zone indicates a very large mineralizing system, particularly when the strike of the mineralized trenched area is extended to an historic drill hole located 800m north. This hole assayed approximately 1 g/t gold over 8m. This target has very good potential of containing a large gold deposit. Subsequent to the trenching and sampling, this area was surveyed by IP/VLF/MAG on a grid covering the 1.5km of potential strike length. Once interpreted it is expected that these surveys will highlight potential areas that are possibly wider and higher grade. Drilling will be completed on this zone in the first quarter of 2010. Overall this is considered an excellent Au/Ag/Mo target.

Koch-Daneff

This area is next to the historic Orphan mine which was mined briefly in the 1930's and produced 3,525-tons of ore grading 0.689 ounces per ton gold. The Company's claims cover the eastern strike extension of this vein system and this area was extensively stripped in 2008. Partial channel sampling on new vein exposures during Highland's June 2009 work included 17.1 g/t over 1.20m (reported August 2009). Channel sampling of this previously trenched area was completed in October. A total of 87 channel samples were taken. Most samples had negligible gold but two channels were taken on a sulphidized zone that appears to be the extension of the Orphan vein. These channels returned anomalous gold.

Channel KD-09-01	1.82 g/t Au over 1.0m
Channel KD-09-02	1.63 g/t Au over 0.70m

These samples are also on strike with an historic drill hole that intersected 15.77 g/t over 3.5m. This drill hole is approximately 100 meters from the trench results, indicating good continuity for this structure. Following the channel sampling IP, VLF and Magnetic surveys were completed over a possible 800 meter strike for this zone, and in the first quarter of 2010 drilling will investigate this target area.

KRK Zone

This area was trenched and channel sampled in 2008. Channel sampling results reported in August 2009 included values of 1.07 g/t gold over 1.50m and 1.07% Pb and 1.59% Zn over 1.50m in massive sulphides in a felsic fragmental volcanic. Historical drilling (hole R98-22 returned 0.74% Cu over 71 meters). Areas that were trenched in 2008 were not completely sampled and these areas were covered with 74 channel samples during the recent field work. No samples were anomalous in gold, but a zone of volcanic breccia was sampled that returned 0.11% Zinc and 1.08 g/t silver over a 12 meter width across the strike of the breccia. Although low grade this zone is significant as it is 800 meters along strike from VTEM airborne anomalies defined during the 2008 airborne survey. The EM conductors could be indicating areas of higher concentrations of base metals. IP, VLF and Magnetics were completed on these anomalies during the recent field work. The results of these surveys will be used to spot follow-up drilling to take place in the first quarter of 2010.

In summary Highland has 3 gold targets to follow up with drilling, and a promising base metal target (copper, zinc, silver). The grade of the Zeus vein, and its proximity to the Hercules zones makes this an exciting target. The Foisey-Larson zone has large size potential, and there is an opportunity to find areas of improved grade along this very long structure. The Orphan/Koch-Daneff area is an historic gold producer and it has proven to be well mineralized on several vein structures. Highland looks forward to more positive results coming out of the drilling program planned to commence in January 2010.

Activation Laboratories Ltd. (Actlabs) carried out the sample analysis in their Thunder Bay , Ontario facility. Samples were subjected to Actlabs' RX1 sample preparation (Actlabs Geraldton preparation laboratory and Thunder Bay) which consists of crushing the entire sample to a nominal 10 mesh (1.7 mm) size, and pulverizing a 100 g sub-sample to 150 mesh (105 mm). A 30 g sub-sample of the pulverized sample was subjected to Actlabs' 1A2 analysis (Fire Assay with AA finish) and any analysis over 3000 ppb was re-assayed using Actlabs' 1A3 analysis (Fire Assay with gravimetric finish). Each sample was also analyzed using Actlabs' 1E3 analysis, which is an ICP/OES process for 37 elements.

The work program at the Rickaby property was designed and conducted by Joseph Campbell, P. Geo., who is a qualified person under the definition of National Instrument 43-101. He is responsible for all aspects of the work including the quality control/quality assurance program. All samples collected were

delivered directly to Activation Laboratories Ltd. Actlab's quality control system complies with ISO/IEC 17025 and CAN-P-1579.

The technical information contained in this news release has been verified by Joseph Campbell, P. Geo., President of GeoVector, who is a Qualified Person as defined in "*National Instrument 43-101, Standards of Disclosure for Mineral Properties.*"

ON BEHALF OF THE BOARD

Signed "Roger Blair"
Roger Blair, President and Director

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