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

February 21, 2011

Item 3 News Release

Issued in Vancouver, British Columbia on February 21, 2011 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 (ext 208)

Item 9 Date of Report

February 21, 2011

HIGHLAND RESOURCES INC.

February 21, 2011 Trading Symbol: HI – TSX.V

NEWS RELEASE

Highland Begins Ground Geophysical Survey on the Humboldt Bay Property in Preparation for Drilling in April

Vancouver, British Columbia, February 21, 2011 ... **Highland Resources Inc.** (the "Company") has commenced linecutting on five grids on its Humboldt Bay property in the Beardmore-Geraldton area of Northern Ontario. These grids will be surveyed with Max-Min EM, VLF-EM and Magnetics, and are following up on promising airborne electro-magnetic and magnetic anomalies discovered during an airborne survey conducted in March of 2010 (news release April 27th, 2010). The ground surveys will be used to locate collars for 1000 meters of diamond drilling that is planned to start in April once interpretations of the ground anomalies is completed.

Humboldt Winter 2011 Work Programs

Highland completed an airborne electro-magnetic and magnetic survey in March 2010 using AeroQuest's helicopter borne AeroTEM II system. The survey was carried out on 50 meter line spacing. The survey defined several electro-magnetic and magnetic anomalies and five excellent targets have been chosen from these anomalies for follow-up ground geophysics. These include discrete EM anomalies that could indicate massive sulphide bodies as well as structural targets for gold defined from the magnetics. Five grids have been planned totaling 85 km of cut lines at 50 meter spacing. The targets include:

1. An 8 km trend of strongly linear magnetic signature that may indicate a shear zone. This inferred shear zone (the Brennan structure), occurs over the Brennan Au showing discovered in 1936. The most recent work on the Brennan in 1991 exposed the zone over a strike length of 575 meters. The gold-bearing quartz vein reportedly produced a 50 lb composite bulk sample assaying 0.49 oz/ton Au. Examination of the magnetic signature suggests that the best part of this target area is along a 4 kilometre strike length west of the historical work. This is an area of overburden cover which has not been previously tested by exploration. This area is the location of Grid A of the current ground survey.

2. At the inferred intersection of two structures above the Brennan structure the magnetic signature is disrupted and diminished in amplitude intensity. The structure begins to display EM conductors where it previously was electro-magnetically quiet. This may indicate sulphidation related to Au mineralization of the structure at this point. EM conductors appear intermittently along approximately 2 km of this area of intersecting structures. This is the location of Grid B of the current ground survey.

3. A series of very intriguing discrete EM anomalies to the north of the Brennan structure. In particular one set of anomalies occurs on an inferred structure that intersects the Brennan structure in the favourable area noted above. This is the location of Grid C of the current ground survey.

4. A 7 km long, intermittently conductive trend broadly coincident with base metal anomalies defined from a 1990 Asarco overburden drilling program. Heavy mineral concentrates defined in two areas of the Asarco program, approximately 2 km apart, were highly anomalous in gold (up to 6000 ppb). This structure is the location of Grids D and E of the current ground survey.

It is anticipated that the line cutting will be completed by the middle of March and the geophysical surveys completed by the end of March. Drilling is planned to commence in April.

The work programs at the Humboldt Bay property are designed and managed by GeoVector Management Inc. 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

FOR FURTHER INFORMATION PLEASE CONTACT:
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