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

October 11, 2011

Item 3 News Release

Issued in Vancouver, British Columbia on October 11, 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: Robert Eadie, President & CEO
Telephone: (604) 602-4935

Item 9 Date of Report

October 11, 2011

HIGHLAND RESOURCES INC.

News Release

Highland Negotiates Sale of its Interest in Rickaby and Humboldt Bay Properties

October 11, 2011 HI- TSXV

Vancouver, British Columbia – Following the completion of its exploration programs on the Humboldt Bay Property (see news release of August 18, 2011), and a decision by the Board of Directors to focus its efforts on the copper properties located in Keweenaw and Houghton Counties in Michigan (see press releases dated January 5, 2011, April 1, 2011 and August 4, 2011), **Highland Resources Inc.** ("**Highland**" or the "Company") announced that it has successfully concluded negotiations for the sale of its 51% interest in 89 mineral claims (the "Interest") located north of Thunder Bay, comprising approximately 18,880 acres more commonly known as the Rickaby & Humboldt Properties, to its joint venture partner, Canadian Prospector Inc. ("CPI").

The purchase price payable by CPI for the Interest is:

1. The return of 2,911,042 shares of Highland, which formed the original consideration paid by Highland for first acquiring the Interest from CPI.

2. A 3% Net Smelter Returns Royalty granted to Highland, of which CPI has the right to purchase 1.5% by paying to Highland the aggregate amount of $1,500,000.

"The Company will be focussing its exploration efforts on the copper properties located in Keweenaw and Houghton Counties in Michigan," said Chief Executive Officer and interim President Robert Eadie. "We expect to file the 43-101 report shortly on SEDAR, covering the Keweenaw Project, completed by Behre Dolbear & Company Ltd., which will include their review of the existing historic database and drill core for two historic mines, one undeveloped property, and several exploration projects in this area."

All of the Keweenaw Project properties are in the "Copper Country" of the Keweenaw Peninsula within the Upper Peninsula of Michigan which was the site of the first copper boom in the United States, and include two historic native copper mines known as the Centennial Mine and the Kingston Mine.

Highland is dedicated to the principles of environmentally sound mining practices and believes that environmental stewardship and mining can co-exist.

ON BEHALF OF THE BOARD

Signed "Robert Eadie"

Robert Eadie,
President, Chief Executive Officer and Director

FOR FURTHER INFORMATION PLEASE CONTACT:
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