

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 2, 2016) - [Flinders Resources Ltd.](#) ("Flinders" or the "Company") (TSX VENTURE:FDR), provides an update on its two key initiatives to produce high purity spherical graphite and graphene to position its 100% owned Woxna graphite mine as a leading supplier to the current and future graphite and graphene industries.

Mr Blair Way, President and CEO states, *"The past 12 months has been a challenging time in the resource sector and the graphite market has not been immune. Low graphite demand for the last 6 months has led to deflated prices. Nevertheless, with a tight control on our costs and a focus on value adding strategies, our initiatives provide cost effective means to grow our business and provide shareholders with a realistic vision for the future. With a production-ready, fully permitted graphite mine and processing facility, Flinders continues to maintain its position as the only graphite producer in the junior space that is positioned to react quickly to the anticipated increases in demand."*

The first initiative underway is the High Purity Graphite Project (see Flinders' News Release August 18, 2015), which seeks to value add to its product stream via working with a strategic Chinese technology partner with a well-established design, build and operate capability in high purity graphite production. The second, the Swedish Graphene Project ("Svenskt Grafen") (see Flinders' News Release September 21, 2015), a Swedish-government funded program to research and commercialize the production of graphene from Swedish-sourced Woxna graphite.

Product from the Woxna graphite plant in Sweden was shipped to the Company's Chinese technology supplier for detailed bench-scale test work to refine our existing high-purity flowsheet (see Flinders' News Release June 25, 2015). The Company is pleased to advise that our Chinese engineering team has defined a process to upgrade Woxna graphite through standard acid alkali chemical purification techniques to battery grade graphite. Work is now underway to produce a larger quantity of high purity spherical graphite to commercial specifications, for end users to internally test for suitability in their battery manufacturing processes. Meetings with these consumers will take place during Q2 2016. A number of auto manufactures in the European Union ("EU") are pursuing the development of electric vehicles more aggressively and we believe the Woxna production facility is well positioned to be an integral part of the EU supply chain for battery manufacturing.

The second initiative is the Swedish Graphene Project, which falls under the EU Graphene Flagship Project, a ten-year, EUR1 billion (US\$1.1B) project to research graphene commercialization. The project is investigating Woxna's Swedish flake graphite, and its suitability to produce graphene on an industrial scale. The project is progressing well and it is anticipated that further updates will be provided in the coming months. Woxna, as one of Europe's two graphite mines, and Sweden's only graphite producer, can supply domestically sourced natural flake graphite which provides a clear strategic advantage for Sweden.

Flinders also remains in discussion with a number of industrial companies to explore synergies which may exist to help grow the business.

Flinders will be attending the 2016 Prospectors and Developers Association of Canada (PDAC) International Convention and Investors Exchange in Toronto on March 6-9. Please drop by and visit us at booth 2939.

The qualified person as defined in National Instrument 43-101 for the Woxna project, Blair Way, President and Chief Executive Officer and a director of the Company, and a Fellow of the Australasian Institute of Mining and Metallurgy, has reviewed and verified the contents of this release.

On behalf of the Board,

Blair Way, President and CEO

About Flinders Resources

Flinders Resources is the 100% owner of the Woxna graphite mine and processing facility located in Sweden. The fully permitted Woxna facility was restarted in July 2014 and produced natural flake graphite concentrate until spring 2015. Much of this concentrate inventory was stockpiled instead of sold due to declining global flake graphite demand during 2015 that pushed prices to a four year low. The Woxna processing facility can be restarted very quickly (a matter of days), but will remain in a "production ready" status until improved graphite prices return allowing the company to conserve working capital and work on value adding initiatives for the processing facility. Flinders Resources is exploring all available opportunities to enable value adding products and improving the business economics

Forward-Looking Information

Certain information in this news release may constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the

use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in the Company's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and the Company's ability to attract and train key personnel; changes in world metal markets and equity markets beyond the Company's control; mineral resources are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized; production rates and capital and other costs may vary significantly from estimates; changes in corporate goals and strategies, the Company's preliminary economic assessment is no longer current or valid and the Company has no plans to complete a new preliminary economic assessment, a pre-feasibility or feasibility study on the project, as a result there is an increased risk of technical and economic failure for the Woxna graphite project; unexpected geological conditions; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; all phases of a mining business present environmental and safety risks and hazards and are subject to environmental and safety regulation, and rehabilitation and restitution costs; the Company does not maintain insurance against environmental risks; and management of the Company have experience in mineral exploration but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine.

Although the Company believes that the expectations reflected in the Forward-Looking Statements, and the assumptions on which such Forward-Looking Statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on Forward-Looking Statements, as there can be no assurance that the plans, intentions or expectations upon which the Forward-Looking Statements are based will occur. Forward-Looking Statements herein are made as at the date hereof, and unless otherwise required by law, the Company does not intend, or assume any obligation, to update these Forward-Looking Statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or the accuracy of this news release.

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