

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 27, 2016) - [Flinders Resources Ltd.](#) ("Flinders" or the "Company") (TSX VENTURE:FDR) As previously announced by the Company on 02 March 2016, battery grade spherical graphite has recently been manufactured using graphite concentrate from Flinders' Woxna project in Sweden. Due to the ongoing success of the high purity graphite research, and the widely reported anticipated increase in demand for battery grade graphite, the Company has committed to the re-permitting process for the Woxna site.

Re-permitting of the Woxna site will allow for an increased graphite production rate across the site and an expansion of the range of graphite products that can be produced, including high purity materials. Once permitted for high purity graphite production, Woxna will be positioned as a long term and sustainable supplier of high value raw materials to the burgeoning European energy storage market. In comparison to traditional natural flake graphite pricing less than \$800 per ton, graphite market analyst Benchmark Minerals indicate that natural flake battery grade spherical graphite products commands prices in the order of US\$3000 to \$4500 per tonne, depending on specifications.

Blair Way, President & CEO states, "Expanding the permit of the Woxna site for increased production and high purity graphite production is an important next step for Flinders, providing us with the capacity to push into a high growth sector. With a production-ready, fully permitted graphite mine and processing facility in Sweden, the re-permitting will enable Flinders to be positioned to become the first large scale producer of battery grade high purity spherical graphite outside of China."

The Company has engaged a consultant to scope the re-permitting process and to work with the relevant consultants and authorities. Further details of the multiplier of the expansion, high purity output, process, timeframes and costs will be announced when all parameters are defined.

The Woxna project has never defined a mineral reserve and the previous preliminary economic assessment on Woxna dated October 29, 2013, has been superseded by the Company's current technical report dated May 11, 2015. As the Woxna facility is not in production but remains on a production ready status, any future decision to recommence mining at Woxna will not be based on a preliminary economic assessment demonstrating the potential viability of mineral resources or feasibility study of mineral reserves demonstrating economic and technical viability. Under these circumstances, there is increased risk of technical and economic failure for the Woxna project, and the Company discloses additional risk factors relating thereto. The Company advises that it has not based its production decision on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that production will begin as anticipated or at all or that anticipated production costs will be achieved. Failure to commence production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations. Failure to achieve any anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, socio-political, marketing or other relevant issues.

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 able to produce up to 11,000 tons per annum of natural flake graphite concentrate. The Woxna processing facility is currently in a "production ready" status until improved graphite prices return. This allows the company to conserve working capital and work on value adding initiatives for the processing facility. Flinders Resources is working closely with technical partners to define the modifications to the current processing plant to enable production of high purity value added products to supply the emerging battery cell manufacturing market.

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.

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Contact

[Flinders Resources Ltd.](#)

+1 604 685 9316

info@flindersresources.com