



NEWS RELEASE

August 18, 2015

FLINDERS SIGNS CONTRACT WITH CHINESE HIGH PURITY GRAPHITE SPECIALIST

Vancouver, Canada - Flinders Resources Limited (“Flinders” or the “Company”) (TSXV: FDR) announces the signing of a new contract with a strategic Chinese partner with well-established design, build and operate capabilities in high purity graphite production. The relationship with the Chinese partner continues to position Flinders as a supplier of choice to the rapidly expanding and game changing lithium ion battery energy storage industry.

Blair Way, President & CEO states, *“As the only public company with a modern western mine and production facility able to produce natural flake graphite, Flinders is uniquely placed to take a leading role in the supply of high-purity graphite to the lithium ion battery market. China is presently the leader in graphite purification technology, and is the primary supplier of high-purity natural flake graphite to the battery sector. By partnering with experts in the high purity field, Flinders gains a competitive edge for the timely transition into the high-purity market.”*

Product from Flinders Woxna graphite plant in Sweden has already been shipped to China and detailed bench-scale test work is underway to enhance the high-purity flowsheet developed for Woxna graphite in 2001 (see Flinders’ news release [June 25, 2015](#)). Planned work will verify all technical aspects of the purification process and define economic parameters. The next stage of work will aim to finalize the detailed design of the high-purity graphite flowsheet. The Chinese partner selected by Flinders has the ability to supply all key elements of a high-purity graphite plant.

As reported in Flinders’ new release dated [June 22, 2015](#), the Woxna plant remains on a production-ready status and can be restarted in a matter of hours once viable economics return to the graphite market. Flinders strategy is to position itself as a supplier of choice to the high-purity graphite market, while conserving the Company’s strong cash position of C\$4M, in the face of four year lows in natural flake graphite prices. Graphite supply from Woxna to traditional refractory markets will be restricted until profit margins improve.

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”

Blair Way, President and CEO

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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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