

THE REBIRTH OF FLAKE GRAPHITE PRODUCTION IN SWEDEN

MARTIN MCFARLANE - PRESIDENT & CEO

**CAMBRIDGE HOUSE VANCOUVER CONFERENCE
JANUARY 2012**



FLINDERS
Resources

www.flindersresources.com

DISCLAIMER

Some of the statements contained in the following material may be "forward-looking statements." All statements, other than statements of historical fact, that address activities, events or developments that Flinders Resources Ltd ("Flinders") 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. These forward-looking statements reflect the current expectations or beliefs of Flinders based on information currently available to Flinders. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of Flinders to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on Flinders. Factors that could cause actual results or events to differ materially from current expectations include, among other things, failure to successfully complete intended financings, capital and other costs varying significantly from estimates, production rates varying from estimates, changes in world metal markets, changes in equity markets, uncertainties relating to the availability and costs of financing needed in the future, equipment failure, unexpected geological conditions, imprecision in resource estimates, success of future development initiatives, competition, operating performance of facilities, environmental and safety risks, delays in obtaining or failure to obtain necessary permits and approvals from government authorities, and other development and operating risks. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Flinders disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Flinders believes that assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. The qualified person for Flinders' projects, Michael Hudson, Director for Flinders, and a Fellow of the Australian Institute of Geoscientists, has reviewed and verified the contents of this overview.

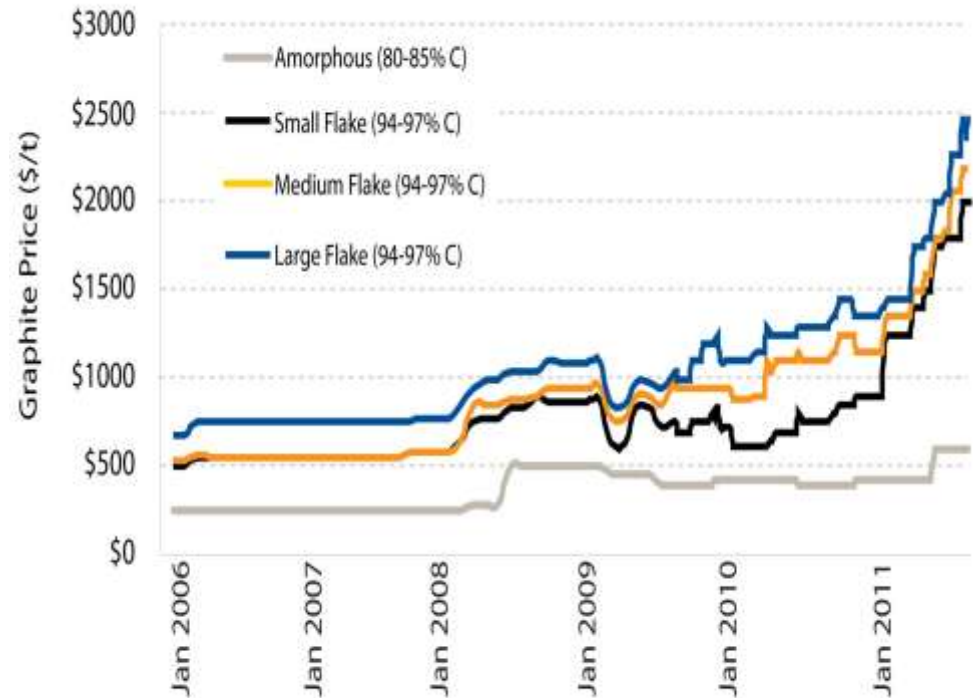
FLINDERS – UNIQUE & ATTRACTIVE

- ✓ Kringel's graphite inventory is significant and high grade - sufficient for +30 years mine life
- ✓ Kringel has first class existing infrastructure that can rapidly be restarted including a fully permitted beneficiation plant rated to 13,000t/year graphite
- ✓ Kringel produced high value, high quality large flake graphite
- ✓ Kringel has considerable upside potential
 - ✓ All four deposits are open at depth and along strike
 - ✓ Plant capacity could be readily expanded
 - ✓ Test work indicates Kringel flake can be upgraded to battery quality
- ✓ Flinders expects to complete acquisition of 100% Kringel, CAD\$5 million raising and listing on the TSX Venture Exchange within 2 months
- ✓ Kringel will be a material and strategically important addition to the European graphite market within 2 years

STRONG GRAPHITE MARKETS

- ✓ Graphite demand exceeds supply
- ✓ Driven by new applications - Lithium batteries
- ✓ This has placed upward pressure on graphite prices
- ✓ Despite good prices supply has been slow to respond due to:
 - Lack of investment
 - Long development times
 - China not able to respond

Higher prices are necessary to incentivize investment in graphite supply



(Source: Industrial Minerals)

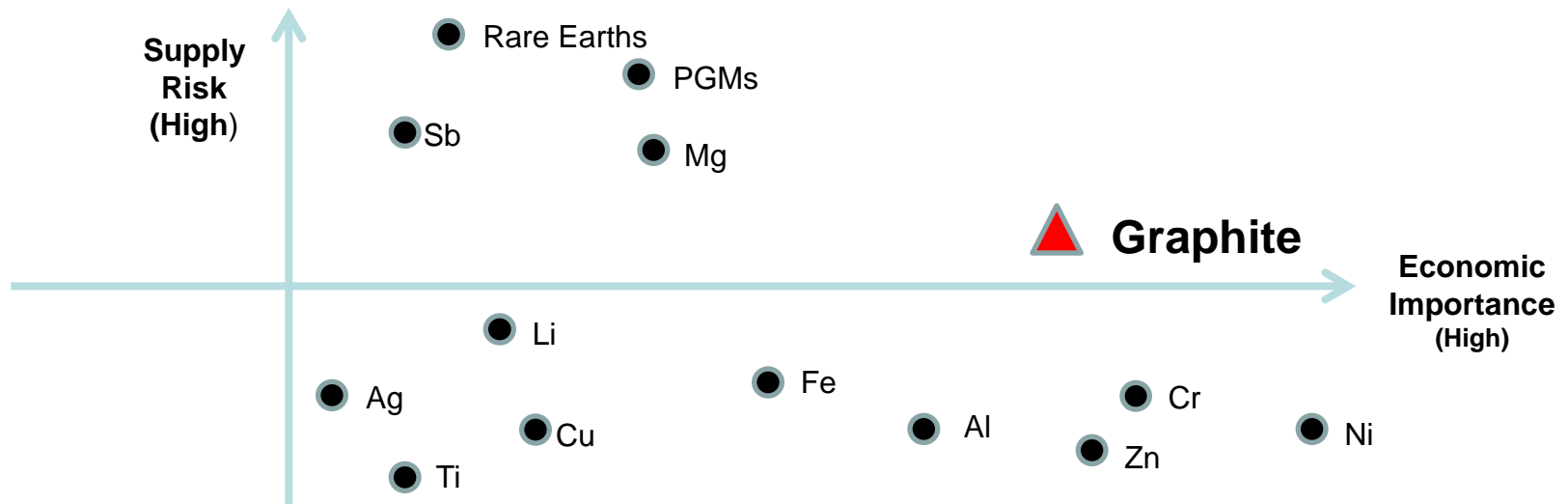
HISTORY

- 1993 Kringel Graphite formed to develop graphite deposits in Sweden
- 1995-98 Development of mining and beneficiation operations. Total investment 90 MSEK
- 1997- '01 Commercial production of flake graphite products
- 2001 Production halted due to adverse market conditions
- 2000 - '02 High purity graphite (>99.5%) study
- 2003 Environmental permit for a high purity carbon plant (expired)
- 2011 Kringelgruvan AB will be acquired by Flinders Resources Ltd



KRINGEL - MATERIAL & STRATEGIC

- ✓ Europe is up to 95% dependent on graphite imports, mainly from China
- ✓ There are concerns about long term graphite supply security
 - ✓ China dominates global graphite supply >70%
 - ✓ Government recently imposed export taxes, VAT and export licenses
- ✓ Europe has classified graphite as a material of strategic importance
- ✓ At full capacity Kringel could supply ~8% of Europe's current graphite needs



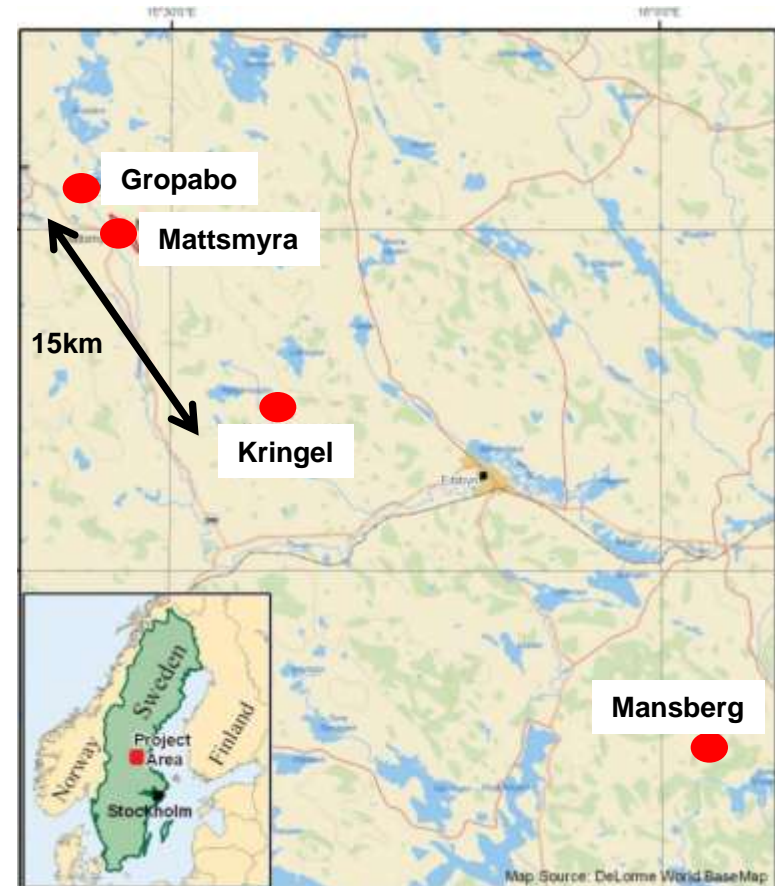
GREAT LOCATION - SWEDEN

- ✓ Kringel is well located in central Sweden
- ✓ Mild climate
- ✓ Good infrastructure is in place
 - Power, water and road access
 - Rail 15km
 - Söderhamn harbour 75km
 - Gävle container port 150km
- ✓ Sweden is a first class mining jurisdiction with a successful mining history and experienced people
- ✓ Close to European customers who currently import most of their graphite needs



SIGNIFICANT HIGH GRADE RESOURCES

- ✓ Historic Resources 6.9Mt@8.8%C
- ✓ Four mining licences
 - Kringel 1.3Mt @ 11.3%C
 - Gropabo 2.1Mt @ 6.9%C
 - Mattsmyra 2.2Mt@ 8.8%C
 - Mansberg 1.3Mt @ 9.4%C
- ✓ Sufficient for +30 year mine life
- ✓ Shallow <65m depth
- ✓ Low stripping ratio 3:1
- ✓ No deleterious impurities



The historical resource estimates quoted are based on the NI43-101 report prepared by Albert Thamm of Coffey Mining in November 2011. The resource was calculated using a polygonal method and is broadly similar to CIM definitions "Indicated" and "Inferred". Data is historical in nature and was compiled prior to the implementation of NI 43-101 reporting standards. Flinders has not completed sufficient exploration to verify the estimates. Flinders is not treating them as National Instrument defined resources or reserves verified by a Qualified Person, and the historical estimate should not be relied upon. The Company does not have, and is not aware of, any more recent resource estimates that conform to the standards set out in National Instrument 43-101.

KRINGEL – ALREADY BUILT



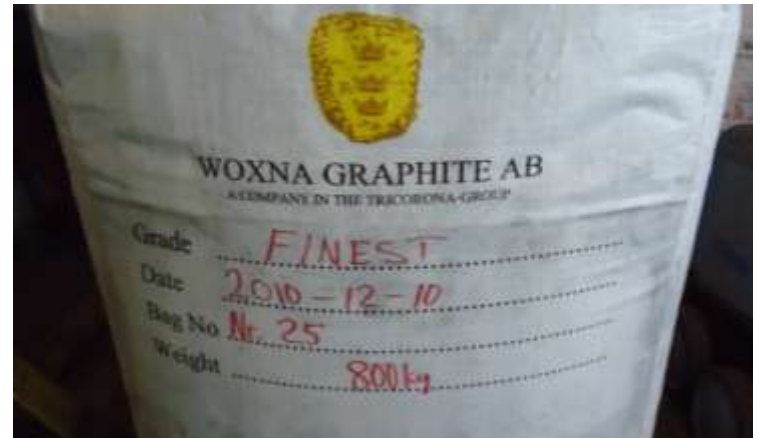
Mining

Milling

Flotation

Screening

Packing



SIMPLE PROCESS GOOD RECOVERIES

HIGH QUALITY & VALUE PRODUCTS

- ✓ Kringel historically produced 85-94% C
- ✓ Excellent large flake distribution:
 - Flake +160 μ m (40% of optimized production)
 - Medium 75-160 μ m (28% of optimized production)
 - Fine <75 μ m (32% of optimized production)
- ✓ Blended to meet customer requirements
- ✓ >94% graphite purity achievable with process improvements



ENVIRONMENT



TAILINGS AND LOW GRADE ORE STORAGE



WATER HOLDING LAKE

- ✓ International environmental consultants completed environmental due diligence at Kringel during 2011
- ✓ Key areas to focus on are tailings management and water balance controls
- ✓ Our goal is to operate to higher environmental standards than previously
- ✓ Discussions are underway with key stakeholders

CONSIDERABLE UPSIDE POTENTIAL

Expand resources

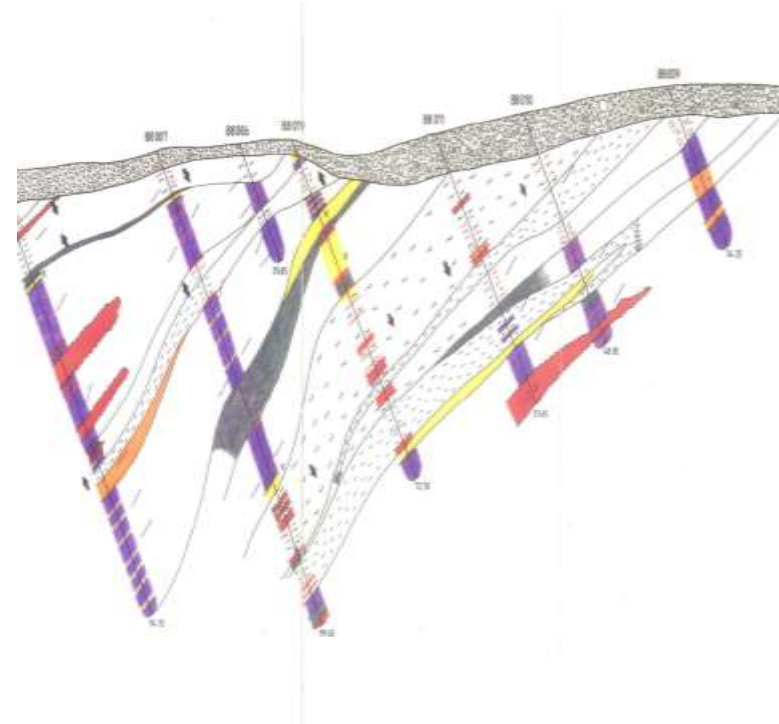
- ✓ Limited drilling below 50m
- ✓ Test hole indicates that mineralisation continues 500m down dip

Increase production capacity

- ✓ Historic resource is sufficient to justify substantially higher output
- ✓ Expansion options will be considered once production from current plant is optimised

Upgrade to produce battery quality graphite

- ✓ Test work indicates that Kringel graphite can be upgraded to >99.5% C
- ✓ Flinders plan to run pilot plant tests to >99% C to examine feasibility



FLINDERS BUSINESS PLAN

Objective: Rapidly develop and execute plan to restart production

Time	Action
2012	Reprocess and sell stockpiled graphite
2012 - 13	Drill resources, develop mine plan, refurbish mill, implement environmental improvements, community consultation, hire key staff
2013 - 14	Restart & ramp up to full graphite capacity & optimise production
2013+	Evaluate expansion and high purity graphite options

CORPORATE STRUCTURE

- ✓ Burke Resources Ltd (private company registered in Canada) owns 100% Kringel Graphite AB
- ✓ Qualifying transaction for business combination with TSXv: TAX.p for public listing and C\$5.2m financing Dec 2011
- ✓ Renamed Flinders Resources Ltd post business combination and financing: 35.1m shares issued, 49.0m when fully diluted
- ✓ Further raising likely in 2012 to facilitate production restart and advance growth options



EXPERIENCED TEAM

Proposed Board of Flinders Resources Ltd

Martin McFarlane – Director, President & CEO

Robert Atkinson

Nick De Mare

Michael Hudson

Mark Saxon

Management & Advisers

Mikael Ranggård – Chairman – Sweden

Folke Söderström – Managing Director – Sweden

Dr. Henning Holmström – Environmental Scientist

Gil Leathley – Advisor - Mining Engineer

FLINDERS – UNIQUE & ATTRACTIVE

- ✓ Significant high grade resource – 6.9Mt @8.8%C, mine life of +30yrs
- ✓ First class infrastructure (road, power, workforce) in a mining country
- ✓ 4 granted mining leases, freehold and 50 year lease hold agreements
- ✓ Permitted 13,000 t/yr plant, tailings dam, dumps, and pit are established
- ✓ 2 year plan to become significant graphite producer is realistic
- ✓ High value 100% flake output – mainly large flake
- ✓ Considerable upside potential exists
 - Drill to test huge resource upside
 - Expansion merited – plan to evaluate options
 - High purity graphite (>99.5%) pilot plant