

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

FLINDERS RESOURCES LIMITED (the "Issuer")
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2. Date of Material Change

September 18, 2012

3. Press Release

The press release was released on September 18, 2012 through various approved public media and filed with the TSX Venture Exchange and the British Columbia and Alberta Securities Commissions.

4. Summary of Material Change(s)

See attached press release for details.

5. Full Description of Material Change

See attached press release for details.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable

7. Omitted Information

Not Applicable

8. Officer

Nick DeMare, CFO
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9. Date of Report

September 25, 2012



FLINDERS
Resources

MEDIA RELEASE

NEWS RELEASE

SEPTEMBER 18, 2012

FLINDERS ANNOUNCES NI43-101 COMPLIANT MEASURED PLUS INDICATED RESOURCE OF 2.6 MILLION TONNES AT 10.5% GRAPHITE AT THE KRINGEL PROJECT, SWEDEN

Vancouver, Canada – Flinders Resources Limited ("Flinders") (TSXV: FDR). Mr. Martin McFarlane, President & CEO, is pleased to announce publication of the first National Instrument (NI)43-101 mineral resource estimate for the 100% owned Kringel flake graphite deposit in central Sweden. The Measured and Indicated mineral resource estimate for Kringel totals **2.6 million tonnes averaging 10.5% graphitic carbon ("Cg")**, when applying a 7% Cg lower cut-off (Table 1). Kringel is fully permitted for production and is one of the four graphite deposits that comprise Flinders' 100% owned Woxna graphite project.

Mr McFarlane states: "The first NI43-101 compliant resource at the Kringel mine lease doubles the previous historic resource estimate while maintaining high graphite grades. With close to 60% in the measured category and the remainder in the indicated category resource confidence has been enhanced."

"The resource estimate is expected to increase once three, 100%-owned historic graphite resources, all held under mining lease and all within trucking distance to Kringel are also upgraded to NI43-101 status."

Table 1 – Kringel September 2012 Mineral Resource Estimate (7 % Cg lower cut-off grade)

Classification	Tonnes (Mt)	Cg %
Measured	1.5	10.4
Indicated	1.1	10.7
Total	2.6	10.5

The Kringel graphite deposit is located in central Sweden about 300 km northwest of Stockholm. Kringel is one of four graphite deposits that comprise Flinders 100% owned Woxna graphite project. Kringel consists of a fully permitted and constructed mine and plant with 13,000 tonnes per year historic process plant capacity.

The resource at Kringel was drilled within an area approximately 1200m length by 100 to 200m width. Mineralization was intersected on all drill sections and is so far known to at least a depth of 150m below the surface and remains open. Mineralization strikes east-west, and dips varies between 60 and 80 degrees to the south. Mineralisation is present as a four main mineralised bodies and five smaller mineralised bodies. The thickness in the section of the plane was usually more than 10m, but varied between 5m and more than 15m. Mineralization at Kringel remains open along strike and at depth, and geophysical data suggests potential for significant expansion.

A cut-off grade of 7% Cg was used as the base case to calculate the NI43-101 resource. This grade is considered very conservative in the current environment, and higher than the grade of ore mined at most operating graphite mines. The grade/tonnage data for various cut-offs, as provided in table 2, indicates that the total contained graphite may be significantly expanded with a lower cut-off grade. Mine planning and economic modelling, both in progress, will determine the cut-off grade applied on the re-start of mining. Lowering the cut-off grade to 4% would increase the contained graphite in the Measured and Indicated resource by approximately 16%.

Table 2: Kringel graphite resource grade and cumulative tonnage at various cut off grades

Cut Off Grade (%)	Measured and Indicated Resource, Tonnes (MT)	Graphite %	Contained Graphite (tonnes)
2.0	4.0	8.5	340,000
3.0	3.7	9.0	333,000
4.0	3.3	9.6	317,000
5.0	3.2	9.8	314,000
6.0	2.9	10.3	299,000
7.0 (Base Case)	2.6	10.5	273,000
8.0	2.5	10.8	270,000
9.0	2.1	11.3	237,000
10.0	1.6	11.7	187,000

In addition to the NI43-101 compliant Kringel graphite resource announced within, Flinders owns three nearby flake graphite deposits at Gropabo, Mattsmyra and Mansberg which contain historic resources totalling 5.6 million tonnes at 8.3% Cg. These will continue to be classified as historic resources until Flinders has the opportunity to upgrade them to NI43-101 standard, which is planned for 2013.

The historical resource estimates quoted for Gropabo, Mattsmyra and Mansberg (not Kringel) are based on a NI43-101 report prepared by Albert Thamm of Coffey Mining in November 2011 which is available on SEDAR. The historic 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.

Key Assumptions, Parameters and Methods Used to Estimate the Mineral Resource

The NI43-101 resource estimate was completed by qualified and independent geologist, Mr. Geoffrey Reed of Reed Leyton Consultants. A technical report will be available shortly on SEDAR and www.flindersresources.com.

The mineral resource estimate was calculated using Maptek's Vulcan software based on the following geological and resource modelling parameters:

- Ninety of 92 diamond drill holes for 6,581m drilled at Kringel from 1988, 1989 and 2012 were included in the current mineral resource estimation.
- Hole spacing was completed on a 50 metre by 50 metre drill pattern.
- The analytical method used to assay Cg in drill core was Leco-direct combustion and infrared absorption. Samples were prepared by ALS Chemex in Pitea Sweden and assayed in Vancouver Canada by method code C-IR06. Drill holes were sampled over 1 metre intervals. Duplicates, repeats and blanks were inserted according to standard industry practice.
- A specific gravity of 2.7 was calculated by traditional methods by Flinders staff in consultation with Mr. Geoffrey Reed.
- Grade interpolation was undertaken using inverse distance defined by the domain wireframes.
- The allocations of composites were calculated using a hard boundary at the domain wireframes. Composites of the drill hole assays are generated using Maptek Vulcan software with run lengths of 1 metre.
- Parent block size was 5m x 25m x 5m with sub blocks at 1m x 5m x 1m, with the mineralization limited to 5m X 25m x 5m.
- Grade interpolation was undertaken using inverse distance defined by the domain wireframes. The allocations of composites were calculated using a hard boundary at the domain wireframes.
- No minimum width was applied.
- No assumptions were made as to future mining methods, dimensions or dilution.
- No assumptions were made as to the metallurgical behaviour of mineralization.

The qualified person for the Kringel project is Mr. Geoff Reed, a consultant to Flinders and Member of the Australian Institute of Mining and Metallurgy (CP). Mr. Reed has reviewed and verified the contents of this release.

On behalf of the Board

"Martin McFarlane"

Martin McFarlane, President and CEO



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Certain information set out in this news release may constitute forward-looking information. Forward-looking statements are based upon the opinions and expectations of management of the Company as at the effective date of such statements and, in certain cases, information provided or disseminated by third parties. Although the Company believes that the expectations reflected in the forward-looking statements contained in this document, 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 included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. These statements 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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