FLINDERS RESOURCES LIMITED

(formerly Tasex Capital Limited)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2012

Background

This discussion and analysis of financial position and results of operation is prepared as at April 30, 2012 and should be read in conjunction with the unaudited condensed interim financial statements and the accompanying notes for the three months ended January 31, 2012 of Flinders Resources Limited (*formerly Tasex Capital Limited*) ("Flinders" or the "Company"). The Company adopted International Financial Reporting Standards ("IFRS") and the following disclosure and associated financial statements are presented in accordance with IFRS. All comparative information provided is in accordance with IFRS. Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com .

Adoption of International Financial Reporting Standards ("IFRS")

The Company's financial statements and the financial data included in the interim MD&A have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee that are expected to be effective for the fiscal year ending October 31, 2012, the Company's first annual reporting under IFRS. The adoption of IFRS does not impact the underlying economics of the Company's operations.

The IFRS accounting polices set forth in Note 3 of the condensed interim financial statements have been applied in preparing the financial statements for the three months ended January 31, 2012 and comparative information as at and for the three months ended January 31, 2011, as at and for the year ended October 31, 2011 and an opening Statement of Financial Position as at November 1, 2010. Notes 2 and 9 to the unaudited condensed interim financial statements contains a detailed description of the Company's adoption of IFRS. The Company's adoption of IFRS had no impact on the financial statements previously prepared under Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to those under IFRS. The adoption of IFRS has not had an impact on the Company's strategic decisions, operations, or cash flows. Further information on the IFRS impacts is provided in the Accounting Changes and Pronouncements section of this MD&A as well as in Note 9 to the unaudited condensed interim financial statements.

Company Overview and Amalgamation

The Company was incorporated on October 27, 2010 under the Business Corporations Act (British Columbia) as Tasex Capital Limited. On April 29, 2011 the Company filed its final prospectus and, on May 3, 2011, the Company received final receipts for the prospectus and became a reporting issuer in British Columbia and Alberta. On June 8, 2011 the Company completed its initial public offering (the "Offering") and on June 10, 2011 the Company's common shares began trading on the TSX Venture Exchange (the "TSXV") as a capital pool company. On February 22, 2012 the Company changed its name to Flinders Resources Limited in conjunction with the completion of its acquisition as described below. The Company's common shares now trade on the TSXV as a Tier 1 mining issuer under the symbol "FDR". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

On February 22, 2012 the Company completed the acquisition of Burke Resources Limited ("Burke") (the "Acquisition"), under which the Company issued 17,715,000 common shares to the Burke shareholders. Burke and 0923098 B.C. Ltd., a wholly-owned subsidiary of the Company, then completed an amalgamation to form Flinders Holdings Limited.

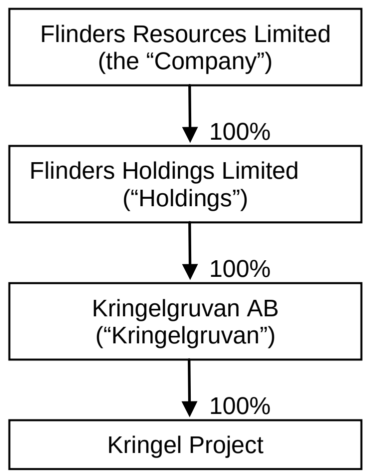
Concurrent with the completion of the Acquisition the Company completed a private placement of 10,400,000 units at a price of $0.50 per unit for gross proceeds of $5,200,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.75 per share on or before February 22, 2014. The Company had received $4,870,000 share subscription proceeds at January 31, 2012.

The Company paid finders' fees consisting of $349,775 cash and the issuance of 699,750 finders' options, with each option exercisable to purchase one common share of the Company and one warrant at a price of $0.50 per option on or before February 22, 2014. Each warrant issued on the exercise of an option will be exercisable to purchase an additional common share at a price of $0.75 per share on or before February 22, 2014.

In April 2012 the Company completed a private placement of 8,823,530 units at a price of $1.70 per unit for gross proceeds of $15,000,001. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $2.20 per share on or before April 17, 2014.

The Company paid finders' fees consisting of $871,284 cash and the issuance of 512,521 warrants. Each warrant entitles the holder to purchase one common share of the Company at a price of $1.70 per share on or before April 17, 2014.

Corporate Structure



Officer and Directors

Upon completion of the Acquisition, the board of directors of the Company is now comprised of Messrs. Martin McFarlane, Nick DeMare, Robert Atkinson, Michael Hudson and Mark Saxon. Mr. McFarlane is the President and Chief Executive Officer, Mr. DeMare is the Chief Financial Officer and Ms. Mariana Bermudez is the Corporate Secretary. In addition, Mr. Mikael Ranggård and Mr. Folke Söderström have been appointed Chairman and Managing Director, respectively, for Kringelgruvan.

The audit committee is comprised of Messrs. DeMare, Hudson and Atkinson.

Kringel Project

The Kringel Project produced flake graphite from 1996 to 2001, when it closed due to depressed graphite prices. Since then the Kringel Project has been held on care and maintenance and can be rapidly brought back to production. The Kringel Project is unique due to its strategic position within the European Union and fully permitted and constructed status as well as being attractive due to its proven ability to produce high grade large flake graphite, long life high grade resource and considerable upside potential. Highlights include:

- Four graphite mining licences ("MLs") with combined historic mineral resources over 6.9 Mt @ 8.8% graphite carbon ("C"). These MLs are namely the Kringel Project (1.3Mt @ 11.3% C historic mineral resource), the Gropabo Project (2.1Mt @ 6.9% C historic mineral resource) located 16 km NW of Kringel, the Mattsmyra Project (2.2Mt @ 8.8% C historic mineral resource) located 13 km NW of Kringel and the Mansberg Project (1.3Mt @ 9.4% C historic mineral resource) located 29 km SE of Kringel.

- A beneficiation plant at the Kringel Project, which is on care on maintenance and rated to produce between 10,000 - 13,000 t/yr graphite. Total historic investment in the plant plus infrastructure is SEK 90 million (approximately Cdn $13 million).

- Environmental permit exists for mining and processing of 100,000 t/yr ore at the Kringel Project .

The historical mineral resource estimates quoted are based on reports by independent geologist Lars-Åke Claesson in August 2002. The mineral 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 National Instrument 43-101 ("NI 43-101") reporting standards. Flinders has not completed sufficient exploration to verify the estimates. Flinders is not treating them as NI 43-101 defined mineral resources or mineral reserves verified by a Qualified Person, and the historical estimate should not be relied upon. Flinders does not have, and is not aware of, any more recent mineral resource estimates that conform to the standards set out in NI 43-101. The historic resources have been drilled to a nominal depth of 50 m below surface. Graphite mineralization remains open along strike and at depth.

The internationally recognized Coffey Mining has been engaged to complete a NI 43-101 compliant technical report on the Kringel Project in order to confirm the historic resources.

In the period since Holdings acquired the Kringel mine in September 2011 until January 31, 2012, the Company has reviewed the material data that was acquired with the mine and assessed the condition of the assets with a view to identifying all upgrades that will be needed to put the mine back into operation. Evaluation plans and budgets have been developed, consultation has begun with the community and the regulator, a new water treatment plant has been installed to ensure all water discharged from site complies with permit conditions and recruiting of employees to maintain and advance the project has commenced.

Subsequent to January 31, 2012, drilling has commenced on delineating a NI43-101 resource at Kringel, marketing contact has started and environmental studies are underway to evaluate options to upgrade the water management and tailings storage facilities.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Selected Financial Data

The following selected financial information is derived from the unaudited interim financial statements of the Company prepared in accordance with IFRS.

	Fiscal 2012	Fiscal 2011				Fiscal 2010
	Three Months Ended January 31, 2012 $	Three Months Ended October 31, 2011 $	Three Months Ended July 31, 2011 $	Three Months Ended April 30, 2011 $	Three Months Ended January 31, 2011 $	Period From October 27, 2010 to October 31, 2010 $
Operations						
Expenses	(84,542)	(84,844)	(118,959)	(7,525)	(210)	(539)
Other items	4,043	(22)	Nil	Nil	Nil	Nil
Net loss	(80,499)	(84,866)	(118,959)	(7,525)	(210)	(539)
Basic and diluted loss per share	(0.01)	(0.02)	(0.02)	(0.00)	(0.00)	Nil
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil

	Fiscal 2012	Fiscal 2011				Fiscal 2010
	Three Months Ended January 31, 2012 $	Three Months Ended October 31, 2011 $	Three Months Ended July 31, 2011 $	Three Months Ended April 30, 2011 $	Three Months Ended January 31, 2011 $	Period From October 27, 2010 to October 31, 2010 $
Balance Sheet						
Working capital (deficiency)	5,030,698	241,197	326,064	213,986	202,472	(538)
Total assets	5,056,947	259,658	335,561	294,762	222,842	24
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the three months ended January 31, 2012 (the "Q1-2012") the Company reported a net loss of $80,499 compared to a net loss of $210 during the three months ended January 31, 2011 (the "Q1-2011"). The increase in loss reflects the Company's ongoing costs in Q1-2012 as a publicly listed company and for costs attributed to the Acquisition, whereas, in Q1-2011 the Company was still a private stage company.

Specific general and administrative expenses of note during Q1-2012 are as follows:

- $9,000 for accounting and administration services charged by Chase Management Ltd. ('Chase"), a private corporation controlled by a director of the Company;
- $15,080 for legal fees on the Acquisition;
- $12,237 for audit fees incurred for the audit of the October 31, 2011 financial statements; and
- $13,042 due diligence costs relating to the Acquisition.

During Q1-2012 the Company received $4,870,000 pursuant to the $5,200,000 private placement financing of 10,400,000 units which closed concurrently with the Acquisition on February 22, 2012. During Q1-2011 the Company completed a financing of 4,350,000 common shares for $217,500 prior to the Company's initial public offering.

Financial Condition / Capital Resources

As at January 31, 2012 the Company had working capital of $5,030,698. Subsequent to January 31, 2012 the Company completed the Acquisition and the concurrent $5,200,000 private placement to which the Company received a further $330,000 (as $4,870,000 was already received at January 31, 2012). In addition, in April 2012 the Company completed a further private placement of $15,000,001. The proceeds from these financings will fund a Phase 1 exploration and development program on the Kringel Project and provide sufficient working capital for corporate administrative expenditures beyond the ensuing year. However, exploration and development activities may change due to ongoing results and recommendations, or the Company may acquire additional properties, which may entail significant funding or exploration commitments. In the event that the occasion arises, the Company may be required to obtain additional financing. There can be no assurance that the Company will be successful in raising future financing should the need arise.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

Subsequent to January 31, 2012 the Company completed the Acquisition which served as the Qualifying Transaction for the Company. See "Corporate Overview and Amalgamation".

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the January 31, 2012 condensed interim financial statements.

Changes in Accounting Policies

Statement of Compliance and Conversion to International Financial Reporting Standards

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. These condensed interim financial statements represent the Company's initial presentation of its results and financial position under IFRS. These condensed interim financial statements for the three months ended January 31, 2012 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and IFRS 1 *First-time Adoption of IFRS* along with the accounting policies the Company expects to adopt in its October 31, 2012 financial statements. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that the Company expects to be applicable at that time. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

As these are the Company's first condensed interim financial statements prepared in accordance with IFRS, the Company's disclosures exceed the minimum requirements under IAS 34. The Company has elected to exceed the minimum requirements in order to present the Company's accounting policies in accordance with IFRS and the additional disclosures required under IFRS, which also highlight the changes from the Company's October 31, 2011 annual financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). In 2013 and beyond, the Company may not provide the same amount of disclosure in the Company's condensed interim financial statements under IFRS as the reader will be able to refer to the annual financial statements which will be prepared in accordance with IFRS.

The Company's financial statements were previously prepared in accordance with Canadian GAAP. Canadian GAAP differs in some respects from IFRS. In preparing these condensed interim financial statements, management has amended certain accounting and valuation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. Adoption of IFRS had no impact on the financial statements previously prepared under Canadian GAAP.

Accounting Standards and Interpretations Issued but Not Yet Adopted

As at the date of these financial statements, the following standards, amendments and interpretations have not been applied in these financial statements.

(i) IFRS 7 *Financial Instruments Disclosures:* In 2011, the IASB issued amendments to IFRS 7 Financial Instruments: Disclosures relating to disclosure requirements for the offsetting of financial assets and liabilities when offsetting is permitted under IFRS. The disclosure amendments are required to be adopted retrospectively for periods beginning January 1, 2013.

(ii) IFRS 9 *Financial Instruments* (New; to replace IAS 39): effective for annual periods beginning on or after January 1, 2013.

(iii) IFRS 10 *Consolidated Financial Statements:* In 2011, the IASB issued IFRS 10 which provides additional guidance to determine whether an investee should be consolidated. The guidance applies to all investees, including special purpose entities. The standard is required to be adopted for periods beginning January 1, 2013.

(iv) IFRS 11 *Joint Arrangements:* In 2011, the IASB issued IFRS 11 which presents a new model for determining whether an entity should account for joint arrangements using proportionate consolidation or the equity method. An entity will have to follow the substance rather than legal form of a joint arrangement and will no longer have a choice of accounting method. The standard is required to be adopted for periods beginning January 1, 2013.

(v) IFRS 12 *Disclosure of Interests in Other Entities*: In 2011, the IASB issued IFRS 12 which aggregates and amends disclosure requirements included within other standards. The standard requires a company to provide disclosures about subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard is required to be adopted for periods beginning January 1, 2013.

(vi) IFRS 13 *Fair Value Measurement:* In 2011, the IASB issued IFRS 13 to provide comprehensive guidance for instances where IFRS requires fair value to be used. The standard provides guidance on determining fair value and requires disclosures about those measurements. The standard is required to be adopted for periods beginning January 1, 2013.

(vii) IAS 1 *Presentation of Items of Other Comprehensive Income:* In 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements to split items of other comprehensive income ("OCI") between those that are reclassed to income and those that are not. The standard is required to be adopted for periods beginning on or after July 1, 2012.

(viii) IAS 12 *Income Taxes, Amendments Regarding Deferred Tax: Recovery of Underlying Assets*; effective for annual periods beginning on or after January 1, 2012.

(iv) IAS 27 *Separate Financial Statements:* The IASB issued amendments to IAS 27 Separate Financial Statements to coincide with the changes made in IFRS 10, but retains the current guidance for separate financial statements.

(x) lAS 28 *Investments in Associates and Joint Ventures:* The IASB issued amendments to lAS 28 Investments in Associates and Joint Ventures to coincide with the changes made in IFRS 10 and IFRS 11.

Management is currently assessing the impact, if any, that the adoption of these standards will have on its financial statements.

Related Party Transactions and Balances

During the three months ended January 31, 2012 the Company was billed $9,000 (2011 - $nil) for accounting, and administration services provided by a private corporation owned by a director of the Company.

There was no compensation paid to key management personnel for the three months ended January 31, 2012 and 2011.

As at January 31, 2012, $7,200 (2011 - $nil) remained unpaid and has been included in accounts payable and accrued liabilities.

Investor Relations Activities

Effective February 23, 2012 the Company engaged Albis Capital Corp. ("Albis") to act as investor relations consultants to the Company. The principal of Albis is Mr. James Powell. Albis works with the Company to, among other things, develop a strategy to enhance and expand the Company's exposure in North America and Europe, provide market awareness, promotion and arrange road shows. Under the contract, Albis is paid a monthly fee of $10,000 and received share options to purchase up to 150,000 common shares of the Company at a price of $0.50 per common share for a period of three years subject to achieving certain performance targets.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at April 30, 2012, there were 44,793,530 issued and outstanding common shares, 2,430,000 stock options outstanding at an exercise prices ranging from $0.10 to $1.91 per share, 699,750 agent's options outstanding at an exercise price of $0.50 per share and 15,581,487 warrants at exercise prices ranging from $0.30 to $2.20 per share.