

Sewell Ventures Inc.
Form 10-Q
February 10, 2009
FORM 10-Q FOR PERIOD ENDING DECEMBER 31, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 333-147394

SEWELL VENTURES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

26-1395403

(IRS Employer Identification No.)

**1671 Beaver Dam Road
Point Pleasant, NJ 08741**

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(Address of principal executive offices)

732-612-1141

(Registrant's telephone number)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes**

 No X

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

| | | | |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes X No

9,200,000 shares of registrant's common stock, \$0.0001 par value, were outstanding at January 30, 2009. Registrant has no other class of common equity.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

PART I.

FINANCIAL INFORMATION**Item 1****Financial Statements.****Sewell Ventures, Inc.**

(An Exploration Stage Company)

Balance Sheets

| | December 31, 2008 \$ (unaudited) | September 30, 2008 \$ |
|------------------------------------------------------|----------------------------------------------|-----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | 3,229 | 10,118 |
| Total current assets | 3,229 | 10,118 |
| Total assets | 3,229 | 10,118 |
| LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT) | | |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payables and accrued liabilities | 1,800 | 3,306 |
| Shareholders advances payable | 1,593 | - |
| Total current liabilities | 3,393 | 3,306 |
| Total liabilities | 3,393 | 3,306 |
| STOCKHOLDERS EQUITY (DEFICIT) | | |
| | - | - |

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| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| Preferred stock: \$0.0001 par value, 25,000,000 authorized, 0 issued and outstanding | 920 | 920 |
| Common stock: \$0.0001 par value, 100,000,000 authorized, 9,200,000 issued and outstanding as of December 31, 2008 and September 30, 2008, respectively | | |
| Additional paid-In capital | 49,080 | 49,080 |
| Deficit accumulated during the exploration stage | (50,164) | (43,188) |
| Total stockholders equity (deficit) | (164) | 6,812 |
| | | |
| Total liabilities and stockholders equity (deficit) | 3,229 | 10,118 |

(See Notes to the Financial Statements)

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Sewell Ventures, Inc.

(An Exploration Stage Company)

Statements of Operations

(Unaudited)

| | Three Months Ended December 31, 2008 \$ | Three Months Ended December 31, 2007 \$ | Period From April 30, 2007 (inception) to December 31, 2008 \$ |
|-------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------|
| Expenses | | | |
| Mineral property expenditures | - | - | 11,682 |
| General and administrative | 2,176 | 1,548 | 8,143 |
| Professional fees | 4,800 | 12,953 | 30,339 |
| Net loss | (6,976) | (14,501) | (50,164) |
| Net loss per share basic and diluted | (0.00) | (0.00) | |
| Weighted average shares outstanding basic and diluted | 9,200,000 | 9,200,000 | |

(See Notes to the Financial Statements)

Sewell Ventures, Inc.

(An Exploration Stage Company)

Statements of Cash Flows

(Unaudited)

| | Three Months Ended December 31, 2008 \$ | Three Months Ended December 31, 2007 \$ | Period From April 30, 2007 (inception) to December 31, 2008 \$ |
|----------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------|
| Cash flows from operating activities | | | |
| Net loss | (6,976) | (14,501) | (50,164) |
| Adjustment to reconcile to net cash provided by operating activities | | | |
| Mineral property impairment | - | - | 4,868 |
| Change in operating assets and liabilities | | | |
| Accounts payables and accrued liabilities | (1,506) | 9,153 | 1,800 |
| Net cash used in operating activities | (8,482) | (5,348) | (43,496) |
| Cash flows from investing activities | | | |
| Mineral property acquisition | - | - | (4,868) |
| Net cash used in investing activities | - | - | (4,868) |
| Cash flows from financing activities | | | |
| Proceeds from issuance of common stock | - | - | 50,000 |
| Proceeds from shareholders advances payables | 1,593 | - | 1,593 |
| Net cash provided by financing activities | 1,593 | - | 51,593 |
| Increase (decrease) in cash | (6,889) | (5,348) | 3,229 |
| Cash beginning of period | 10,118 | 35,337 | - |
| Cash end of period | 3,229 | 29,989 | 3,229 |
| Supplemental cash flow disclosures | | | |
| Cash paid For: | | | |

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| | | | |
|------------|---|---|---|
| Interest | - | - | - |
| Income tax | - | - | - |

(See Notes to the Financial Statements)

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Sewell Ventures, Inc.

(An Exploration Stage Company)

Notes to the Financial Statements

December 31, 2008

(Unaudited)

Note 1:

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q of Regulation S-X. They may not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the period ended September 30, 2008 included in the Company's Annual Report on Form 10K filed with the Securities and Exchange Commission. The interim unaudited financial statements should be read in conjunction with those financial statements included in the Annual Report on Form 10K. In the opinion of management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the three months ended December 31, 2008 are not necessarily indicative of the results that may be expected for the year ending September 30, 2009.

Certain 2007 items have been reclassified to conform to 2008 presentation.

Note 2:

Going Concern

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern; accordingly, they do not give effect to adjustment that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and retire its liabilities in other than the normal course of business and at amounts different from those in the accompanying financial statements. Management plans to raise cash from public or private debt or equity financing on an as needed basis and in the longer term, to generate revenues from the acquisition, exploration and development of mineral interests, if found. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or upon obtaining

additional financing. The outcome of these matters cannot be predicted at this time.

Note 3:

Related Party Advances Payable

As of December 31, 2008 the Company received \$1,593 from shareholders of the Company. These advances are unsecured and non-interest bearing.

Item 2.

Management's Discussion and Analysis.

Plan of Operation

About Our Claims and Our Company

We were incorporated on April 30, 2007 in the state of Delaware. We have no subsidiaries and no affiliated companies. Our principal offices are located at 1671 Beaver Dam Road, Point Pleasant, NJ 08742. Our telephone number is 732-612-1141.

We have two mineral properties, namely Goldhawk Property in the Omineca Mining Division in the Province of British Columbia, Canada and Sewell 1 Claim in the New Westminster, Similameen Mining Division of the Canadian province of British Columbia.

On July 21, 2007, our Chairman, Iqbal Boga, acquired a claim for a property called the Goldhawk Property on our behalf whereby we acquired a 100% interest in a map-staked claim covering 355.549 hectares (878.2 acres). Our mineral claim (the Goldhawk Property) is in the Omineca Mining Division in the Province of British Columbia, Canada was in good standing until July 15, 2008 and we have staked new claim adjacent as a replacement. The Goldhawk Property covers an area of 177.83 hectares. For financial statement presentation purposes, the Company has written the property off in the balance sheet.

On September 17, 2008, our Chairman, Iqbal Boga, on our behalf, staked a mineral claim called the Sewell 1 Claim in the New Westminster, Similameen Mining Division of the Canadian province of British Columbia whereby we acquired a 100% interest in a map-staked claim covering 357.2 hectares (882.6 acres) for \$143. The property has a project is called the U.S. Rambler Project an exploration target. We intend to retain an independent professional mining engineer, to prepare a technical report on the property.

Exploration Plan

Our initial plan as filed in our SB-2 registration statement on November 14, 2007, calls for performing exploration work on the Goldhawk Property of approximately \$20,000. Due to unavailability of professional geologist or engineers, specifically Mr. Ostler, we plan to commence the first phase in June/July 2009, and expect that the program will take approximately one month to complete. We anticipate covering part of the costs of the program from our existing cash reserve. We will require additional funding to cover costs associated with a geochemical survey, and anticipate raising such funding through the sale of our common stock, although we currently do not have any specific financing arranged.

We also plan to review our Sewell 1 Property and at the initial we intend to retain an independent professional mining engineer, to prepare a technical report on the property, budgeted at \$5,000.

Results of Operations

We did not earn any revenues for the three months ended December 31, 2008 and from inception on April 30, 2007 to December 31, 2008. We do not anticipate earning revenues until such time as we have entered into commercial production of our mineral properties. We are presently in the exploration stage of our business and we can provide no assurance that we will discover commercially exploitable levels of mineral resources on our properties, or if such resources are discovered, that we will enter into commercial production of our mineral properties.

For the three months ended December 31, 2008, we incurred operating expenses in the amount of \$6,976 which mainly comprised of professional fees totaling \$4,800 and filing fees totaling \$1,936. For the three months ended December 31, 2007, we incurred operating expenses in the amount of \$14,501 which mainly comprised of professional fees totaling \$12,953 and transfer agent fees totaling \$1,500. From inception on April 30, 2007 to December 31, 2008, we have incurred operating expenses totaling in the amount of \$50,164.

Liquidity and Capital Resources

As at December 31, 2008, we had a cash balance of \$3,229.

We do not anticipate generating any revenue for the foreseeable future. When additional funds become required, the additional funding will come from equity financing from the sale of our common stock or sale of part of our interest in our mineral claims. If we are successful in completing an equity financing, existing shareholders will experience dilution of their interest in our company.

We do not have any financing arranged and we cannot provide investors with any assurance that we will be able to raise sufficient funding from the sale of our common stock to fund our exploration programs. In the absence of such financing, our business will fail.

Based on the nature of our business, we anticipate incurring operating losses in the foreseeable future. We base this expectation, in part, on the fact that very few mineral claims in the exploration stage ultimately develop into producing, profitable mines. Our future financial results are also uncertain due to a number of factors, some of which are outside our control. These factors include, but are not limited to:

- .
- our ability to raise additional funding;
- .
- the results of our proposed exploration programs on the mineral property; and
- .

our ability to find joint venture partners for the development of our property interests

Due to our lack of operating history and present inability to generate revenues, our auditors have included an explanatory paragraph in their audit opinion for the November 21, 2008 financial statements that raises substantial doubt about our ability to continue as a going concern. Even if we complete our current exploration program, and it is successful in identifying a mineral deposit, we will have to spend substantial funds on further drilling and engineering studies before we will know if we have a commercially viable mineral deposit or reserve.

Legal Expense Plan

Management expects to incur legal costs and filing fees of approximately \$500 per quarter to support three quarterly 10-Q filings and \$1,000 to support one annual 10-K filing. In the next twelve months, management anticipates spending approximately \$2,500.

Risks and Uncertainties

Our operations and financial results are subject to various risks and uncertainties that could adversely affect our business, financial condition and results of operations. Risk Related to Our Business section of our Form SB-2 dated November 14, 2007, includes a detailed discussion of these factors which have not changed materially from those included in this Form 10-Q.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements including arrangements that would affect our liquidity, capital resources, market risk support and credit risk support or other benefits.

Forward Looking Statements

The information in this quarterly report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements involve risks and uncertainties, including statements regarding the Company's capital needs, business strategy and expectations. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking

statements by terminology such as may, will, should, expect, plan, intend, anticipate, believe, potential or continue, the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined from time to time, in other reports we file with the Securities and Exchange Commission (the SEC). These factors may cause our actual results to differ materially from any forward-looking statement. We disclaim any obligation to publicly update these statements, or disclose any difference between its actual results and those reflected in these statements. The information constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Item 3. Qualitative and Quantitative Disclosure about Market Risks

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Principal Executive Officer and Principal Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report, have concluded that, based on the evaluation of these controls and procedures, that our disclosure controls and procedures were effective.

Controls and Procedures over Financial Reporting

Additionally, there were no significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the evaluation date. We have not identified any significant deficiencies or material weaknesses in our internal controls, and therefore there were no corrective actions taken.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company currently is not a party to any legal proceedings and, to the Company's knowledge; no such proceedings are threatened or contemplated.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Default Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

a.

Exhibits

| <u>Exhibit Number</u> | <u>Description of Exhibit</u> |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1* | Articles of Incorporation* |
| 3.2* | Bylaws* |
| 31.1 | <u>Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 302 of the Sarbanes-Oxley Act of 2002.</u> |
| 32.1 | <u>Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002.</u> |

*Previously filed.

SIGNATURES

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In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

SEWELL VENTURES, INC.

(Registrant)

Date: January 30, 2009

By: /s/ Jabeen Boga

Jabeen Boga

Principal Executive Officer

Principal Financial Officer and Director