

Sewell Ventures Inc.
Form 10-K
December 22, 2008
FORM 10-K FOR PERIOD ENDING SEPTEMBER 30, 2008

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

FORM 10-K

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

For the fiscal year ended September 30, 2008

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE 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)

Securities Registered Under Section 12(b) of the Exchange Act: None

Securities Registered Under Section 12(g) of the Exchange Act: Common Stock, \$0.0001 par value (Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer as defined by Rule 405 of the Securities Act

Yes [] No [X].

Indicate by check mark if the registrant is not required to file reports pursuant to Rule 13 or Section 15(d) of the Act

Yes [] No [X].

Indicate by check mark whether the Issuer (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

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

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 [] Accelerated filer []

Non-accelerated filer [] Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Issuer's revenues for its most recent fiscal year: \$0.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed fiscal quarter: 9,200,000 common shares at \$0.03* = \$276,000. (* - last price at which the Corporation offered stock for sale under its S-1 registration statement.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date. 9,200,000 common shares issued and outstanding as of December 8, 2008.

Transitional Small Business Disclosure Format (Check one):

Yes No

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K into which the document is incorporated: (1) any annual report to shareholders; (2) Any proxy or information statement and (3) any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933:

Exhibits incorporated by reference are referred under Part IV.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
 Yes No

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Cautionary Statement Regarding Forward-Looking Statements

This annual report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. Some discussions in this report may contain forward-looking statements that involve risk and uncertainty.

A number of important factors could cause our actual results to differ materially from those expressed in any forward-looking statements made in this report. Forward-looking statements are often identified by words like:

believe , expect , estimate , anticipate , intend , project and similar expressions or words which, by their nature, refer to future events.

In some cases, you can also identify forward-looking statements by terminology such as may , will , should , plans , predicts , potential or continue or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" beginning on page 7, that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles. References to common shares refer to common shares in our capital stock.

As used in this annual report, the terms "we", "us", "our", and "Sierra" mean Sierra Ventures, Inc. unless otherwise indicated.

PART I

Item 1. Description of Business.

Overview

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.

There have been no material reclassifications, mergers, consolidations or purchases or sales of any significant amount of assets not in the ordinary course of business since the date of incorporation. We are a start-up, exploration stage company engaged in the search for gold and related minerals. There is no assurance that a commercially viable mineral deposit, a reserve, exists in our claim or can be shown to exist until sufficient and appropriate exploration is done and a comprehensive evaluation of such work concludes economic and legal feasibility.

Our Current Business Mineral Exploration

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). In August 2007, we retained an independent mining engineer to prepare a technical report on the property. 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.

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.

Since we became a reporting company it is responsible for filing various forms with the United States Securities and Exchange Commission (the SEC) such as Form 10K and Form 10Qs.

The shareholders may read and copy any material filed by us with the SEC at the SEC's Public Reference Room at 100 F Street N.W., Washington, DC, 20549. The shareholders may obtain information on the operations of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information which we have filed electronically with the SEC by accessing the website using the following address: <http://www.sec.gov>. We have no website at this time.

Our Proposed Exploration Program Plan of Operation

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 1Property 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.

We have further information about our property, please see Item 2, Property.

Item 1A Risk Factors

Risks Associated with Sewell Ventures, Inc., Our Financial Condition and Our Business Model

Risks and Uncertainties

An investment in our common stock involves a number of very significant risks. The primary risk that we face over the long term is that the Goldhawk Property Claim may not contain a commercially viable mineral deposit, which will have a material effect on our ability to earn revenue and income as we will not be able to sell any minerals. In addition, you should carefully consider the following known material risks and uncertainties in addition to other information in this report in evaluating the Company and its business before purchasing shares of our common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following known material risks. The risks described below are not the only ones facing our company. Additional risks not presently known to us may also impair our business operations.

We are a development stage corporation, lack a business history and have losses that we expect to continue into the future. If the losses continue we will have to suspend operations or cease functioning.

We were incorporated on April 30, 2007 and we have not started our proposed business or realized any revenues. We have no business history upon which an evaluation of our future success or failure can be made. Our net loss since inception is \$43,188. Our ability to achieve and maintain profitability and positive cash flow is dependent upon:

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our ability to find a profitable exploration property;

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our ability to generate revenues; and

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our ability to reduce exploration costs.

Based upon current plans, we expect to incur losses in future periods. This will happen because there are expenses associated with the exploration of our optioned property. We may not be successful in generating revenues in the future. Failure to generate revenues will cause us to go out of business.

Furthermore, prior to completion of our exploration program, we anticipate that we will incur increased operating expenses without realizing any revenues. We therefore expect to continue incurring significant losses in the foreseeable future. We recognize that if we are unable to generate significant revenues from the development of our property and any production of minerals from the claim, we will not be able to earn profits or continue operations.

Potential investors should be aware of the difficulties normally encountered by a new enterprise and the high rate of failure of such enterprises. The potential for future success must be considered in light of the problems, expenses, difficulties complications and delays encountered in connection with the development of a business in the area in which we intend to operate and in connection with the formation and commencement of operations of a new business

in general. These include, but are not limited to, competition and additional costs and expenses that may exceed current estimates. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and there can be no assurance that we will generate significant operating revenues in the future or ever achieve profitable operations.

Very few mineral properties are ultimately developed into producing mines.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Goldhawk Property has no known body of commercially viable deposits of mineralization. Most exploration projects do not result in the discovery of commercially viable deposits of mineralization.

Substantial expenditures are required for us to establish mineralization reserves through drilling, to develop metallurgical processes, to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Although substantial benefits may be derived from the discovery of a major mineral deposit, we cannot assure you that we will discover minerals in sufficient quantities to justify commercial operations or that we can obtain the funds required for development on a timely basis. The economics of developing precious and base metal mineral properties is affected by many factors including the cost of operations, variations in the grade of mined ore, fluctuations in metal markets, costs of processing equipment and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

We require substantial funds merely to determine if mineral reserves exist on our optioned property.

Any potential development and production of our exploration properties depends upon the results of exploration programs and/or feasibility studies and the recommendations of duly qualified engineers and geologists. Such programs require substantial additional funds. Any decision to further expand our plans on these exploration properties will involve the consideration and evaluation of several significant factors including, but not limited to:

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Costs of bringing the property into production including exploration work, preparation of production feasibility studies and construction of production facilities;

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Availability and costs of financing;

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Ongoing costs of production;

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Market prices for the products to be produced;

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Environmental compliance regulations and restraints; and

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Political climate and/or governmental regulation and control.

Mineral exploration involves a high degree of risk against which we are not currently insured.

Unusual or unexpected rock formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are risks involved in the operation of mines and the conduct of our exploration program. It is not always possible to fully insure against such risks and we may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of our shares of common stock.

If we do not obtain additional financing, our business will fail.

As of September 30, 2008, we had cash on hand of \$10,118. We anticipate that we will need to incur significant expenses in connection with the exploration of the Goldhawk Property and Sewell 1 Claim, plus company operation expenses. Although we do not have sufficient funds to conduct the planned exploration programs, which we estimated to cost \$24,000, our directors may advance the funds to complete the program. If the results of the program are successful, we will need additional funds to complete the next phase of our exploration program. Even after completing these two phases, we will not know if we have a commercially viable mineral deposit.

We do not anticipate generating any revenue for the foreseeable future. Should we require additional funds, the additional funding will come from equity financing from the sale of our common stock or sale of part of our interest in the Goldhawk Property. If we are successful in completing an equity financing, existing shareholders will experience dilution of their interest in the Company.

We may not be able implement our plans without obtaining additional financing. If this financing is not available or obtainable, investors may lose a substantial portion or all of their investment. If adequate funds are not available to satisfy our immediate or intermediate capital requirements, we will limit our operations significantly. There can be no assurance that such additional financing will be available to us on acceptable terms, or at all. The most likely source of future funds presently available to us is through the sale of additional shares of common stock, which could result in dilution to existing shareholders.

As we undertake exploration of our property, we will be subject to certain existing and future government regulations, which may increase the anticipated time and cost of our exploration program and may require permits and licenses that we may be unable to obtain.

There are several governmental regulations that materially restrict the exploration of minerals, including the Mineral Tenure Act of the Province of British Columbia and we may be required to obtain licenses, work permits, post bonds and perform remediation work for any physical disturbance to the land in order to comply with these regulations. While our planned exploration program budgets for regulatory compliance, there is a risk that new regulations could increase our time and costs of doing business and prevent us from carrying out our exploration program and there can be no assurance that we will be able to obtain all necessary licenses and permits that may be required to conduct exploration, development and mining operations.

In addition, our operations may be subject to new environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, and release or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. Environmental legislation is evolving in a manner which means that standards, enforcement, fines and penalties for non-compliance are more stringent.

Furthermore, certain types of operations require the submission and approval of environmental impact assessments. Environmental impact assessments of proposed projects carry a heightened degree of responsibility for the Company and our directors, officers and consultants. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of our operations. The Company carries no environmental liability insurance.

Because market factors in the mining business are out of our control, we may not be able to market any minerals that may be found.

We can provide no assurance that we will discover minerals, and even if we discover minerals that a ready market will exist for such minerals. Numerous factors beyond our control may affect the marketability of minerals, including market fluctuations; the proximity and capacity of natural resource markets and processing equipment; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in our not receiving an adequate return on invested capital.

If we do not obtain clear title to the Goldhawk Property or Sewell 1 Claim, our business may fail.

Under British Columbia law, title to British Columbia mineral claims can only be held by individuals or British Columbia corporations. Since we are a Delaware corporation we are not legally allowed to hold claims in British Columbia. Accordingly, the Goldhawk Property and Sewell 1 Claims are being held in trust for us by our Chairman as he is an individual. If we confirm economically viable deposits of gold on the claims, we will incorporate a British Columbia subsidiary to hold title such claim and our Chairman will transfer the claims to the subsidiary. Until we can confirm viable gold deposits, our Chairman is holding the claims in trust for us by means of a trust agreement. However, there could be situations such as the death of our Chairman that could prevent us from obtaining clear title to such claim

If we fail to make required payments or expenditures, we could lose title to our Property.

In order to maintain the tenures in good standing we are required to coordinate an agent to perform and record valid exploration work with a value of CDN \$4 per hectare in anniversary years 1, 2, and 3 and CDN \$8 per hectare in subsequent years or pay the equivalent sum to the Province of British Columbia in lieu of the work. Failure to perform and record valid exploration work or pay the equivalent sum to the Province of British Columbia on the anniversary dates will result in forfeiture of our title to the claims.

We face intense competition in the mining industry.

The mining industry is intensely competitive in all phases. We will compete with many companies possessing greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. We cannot assure you that we will be able to compete successfully with any of these companies.

Our management has only limited experience in resource exploration.

Our management, while experienced in business operations, has only limited experience in resource exploration. None of our directors or officers has any significant technical training or experience in resource exploration or mining. We rely on the opinions of consulting geologists that we retain from time to time for specific exploration projects or property reviews. As a result of management's inexperience, we face a greater risk of being unable to achieve profitability or complete our business plan.

There is substantial doubt as to our ability to continue as a going concern.

The accompanying financial statements have been prepared assuming that we will continue as a going concern. Our business condition, as indicated in our independent accountant's audit report as at November 21, 2008 for the period ended September 30, 2008, raises substantial doubt as to whether we can continue as a going concern. To date, we have completed only part of our business plan and we cannot assure you that we will be able to generate enough revenue to achieve profitability. At this time, we cannot predict with any degree of certainty the potential success of our business. Our financial statements do not include any adjustments that may result from the outcome of this uncertainty.

If we are unable to retain the services of our President and our Chairman, we may not be able to implement our business plan.

We depend on the services of our President, Jabeen Boga, and our Chairman, Iqbal Boga, and our success depends on the decisions made by Ms. Boga. The loss of the services of either Ms. Boga or Mr. Boga could have an adverse effect on our business, financial condition and results of operations. There is no guarantee that either Ms. Boga or Mr. Boga will not leave us or compete against us in the future, as we presently have no employment agreement with them. In the event we lose the services of our President, our Chairman or both, we may have to recruit qualified personnel with competitive compensation packages, equity participation and other benefits that may affect the working capital available for our operations. Additionally, we may fail to attract additional qualified personnel. Our failure to attract such qualified personnel or to retain the services of either Ms. Boga or Mr. Boga could have a material adverse effect on our operating results and financial condition.

Because our officers and directors have other outside business activities and may not be in a position to devote a majority of their time to our exploration activity, our exploration activity may be sporadic which may result in periodic interruptions or suspensions of exploration.

Our management team devotes approximately 24 hours per month, to our business. As a consequence of the limited devotion of time to the affairs of our Company expected from management, our business may suffer. For example, because our officers and directors have other outside business activities and may not be in a position to devote a majority of their time to our exploration activity, our exploration activity may be sporadic or may be periodically interrupted or suspended. Such suspensions or interruptions may cause us to cease operations altogether and go out of business.

Because we hold all of our cash reserves in United States dollars, we may experience weakened purchasing power in Canadian dollar terms and may not be able to afford to conduct our planned exploration program.

We hold all of our cash reserves in United States dollars. Due to foreign exchange rate fluctuations, the value of these United States dollar reserves can result in both translation gains and losses in Canadian dollar terms. If there was to be a significant decline in the United States dollar versus the Canadian dollar, our United States dollar purchasing power in Canadian dollars would also significantly decline. If there is a significant decline in the United States dollar we would not be able to afford to conduct our planned exploration program. We have not entered into derivative instruments to offset the impact of foreign exchange rate fluctuations.

Any additional funding we arrange through the sale of our common stock will result in dilution to existing shareholders.

We will require additional capital in order to achieve our business plan. Our most likely source of additional capital will be through the sale of additional shares of common stock. The sale of additional shares of common stock will result in dilution to our existing stockholders and will negatively affect the value of an investor's shares.

Estimates of proven and probable reserves are uncertain.

Estimates of proven and probable reserves are subject to considerable uncertainty. Such estimates are, to a large extent, based on interpretations of geologic data obtained from drill holes and other sampling techniques. Mineral

producers use feasibility studies to derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore body, expected recovery rates of metals from the ore, comparable facility, equipment, and operating costs, and other factors. Actual cash operating costs and economic returns on projects may differ significantly from original estimates. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change. At present, Goldhawk Property has no known body of commercial mineralization.

Risks Relating To Our Common Stock

We have the right to issue up to 25,000,000 shares of blank check preferred stock, which may adversely affect the voting power of the holders of other of our securities and may deter hostile takeovers or delay changes in management control.

We may issue up to 25,000,000 shares of our preferred stock from time to time in one or more series, and with such rights, preferences and designations as our board of directors may determine from time to time. To date, we have not issued any shares of preferred stock. Our board of directors, without further approval of our common stockholders, is authorized to fix the dividend rights and terms, conversion rights, voting rights, redemption rights, liquidation preferences and other rights and restrictions relating to any series of our preferred stock. Issuances of additional shares of preferred stock, while providing flexibility in connection with possible financings, acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of our common stock and may, under certain circumstances, have the effect of deterring hostile takeovers or delaying changes in management control.

Because our directors and major shareholders own 65.2% of our outstanding common stock, they will make and control corporate decisions that may be disadvantageous to minority shareholders.

Our directors and major shareholders collectively own approximately 65.2% of the outstanding shares of our common stock. Accordingly, they will have significant influence in determining the outcome of all corporate transactions or other matters, including the election of directors, mergers, consolidations, the sale of all or substantially all of our assets, and a change in control. The interests of our directors may differ from the interests of our other stockholders and thus result in corporate decisions that are disadvantageous to our other shareholders.

The costs to meet our reporting and other requirements as a public company subject to the Securities Exchange Act of 1934 will be substantial and may result in us having insufficient funds to expand our business or even to meet routine business obligations.

As a public entity, we are subject to the reporting requirements of the Securities Exchange Act of 1934, therefore, we will incur ongoing expenses associated with professional fees for accounting, legal and a host of other expenses for annual reports and proxy statements. We estimate that these costs will range up to \$50,000 per year for the next few years and will be higher if our business volume and activity increases, but lower during the first year of being public, because our overall business volume will be lower, and we will not yet be subject to the requirements of Section 404 of the Sarbanes-Oxley Act of 2002. These obligations will reduce our ability and available resources to fund other aspects of our business and may prevent us from meeting our normal business obligations.

Currently, there is no public market for our securities, and we cannot assure you that any public market will ever develop or that our common stock will be quoted for trading and, even if quoted, our common stock is likely to be subject to significant price fluctuations.

Currently, our common stock is not listed on any public market, exchange, or quotation system. Although we have taken steps to have our common stock publicly traded, a market for our common stock may never develop. We currently plan to apply for quotation of our common stock on the OTC Bulletin Board upon the effectiveness of the registration statement of which this prospectus forms a part. However, our shares may never be traded on the OTC Bulletin Board, or, if traded, a public market may not materialize. Even if we are successful in developing a public market, there may not be enough liquidity in such market to enable shareholders to sell their stock. If our common stock is not quoted on the OTC Bulletin Board or if a public market for our common stock does not develop, investors may not be able to re-sell the shares of our common stock that they have purchased, rendering their shares effectively worthless and resulting in a complete loss of their investment.

We have identified a market maker to file an application with the Financial Industry Regulatory Authority, Inc. (FINRA) on our behalf so as to be able to quote our shares of common stock on the OTC Bulletin Board (which is maintained by the FINRA) commencing upon the effectiveness of our registration statement of which this prospectus is a part. We cannot assure you that such market maker's application will be accepted by the FINRA. We are not permitted to file such application on our own behalf. If the application is accepted, there can be no assurances as to whether any market for our shares will develop or the prices at which our common stock will trade. If the application is accepted, we cannot predict the extent to which investor interest in us will lead to the development of an active, liquid trading market. Active trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors.

In addition, our common stock is unlikely to be followed by any market analysts, and there may be few institutions acting as market makers for the common stock. Either of these factors could adversely affect the liquidity and trading price of our common stock. Until our common stock is fully distributed and an orderly market develops in our common stock, if ever, the price at which it trades is likely to fluctuate significantly. Prices for our common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for shares of our common stock, developments affecting our business, including the impact of the factors referred to elsewhere in these Risk Factors, investor perception of the Company, and general economic and market conditions. No assurances can be given that an orderly or liquid market will ever develop for the shares of our common stock.

Our common stock is classed as a penny stock . Trading of our stock may be restricted by the SEC's penny stock regulations which may limit a stockholder's ability to buy and sell our stock. Rules 15c-1 through 15c-9 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act) impose sales practice and disclosure requirements on certain brokers-dealers who engage in transactions involving a penny stock. The SEC has adopted regulations which generally define "penny stock" to be any equity security that has a market price less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our common stock is covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules may discourage investor interest in and limit the marketability of our common stock.

In addition to the "penny stock" rules, the Financial Industry Regulatory Authority (FINRA) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for

believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA's requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

We will be required to evaluate our internal controls under Section 404 of the Sarbanes-Oxley Act of 2002, and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on the price of our shares of common stock.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we expect that beginning with our annual report on Form 10-K for the fiscal year ended after December 15, 2009, we will be required to furnish a report by management on our internal controls over financial reporting. Such report will contain among other matters, an assessment of the effectiveness of our internal control over financial reporting, including a statement as to whether or not our internal control over financial reporting is effective. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by our management. Such report must also contain a statement that our auditors have issued an attestation report on our management's assessment of such internal controls. Public Corporation Accounting Oversight Board Auditing Standard No. 2 provides the professional standards and related performance guidance for auditors to attest to, and report on, our management's assessment of the effectiveness of internal control over financial reporting under Section 404.

We have not yet commenced compiling the system and process documentation and performing the evaluation needed to comply with Section 404 due to the high costs and challenges. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, we may identify one or more material weaknesses in our internal control over financial reporting, in which case we may not be able to assert that our internal controls are designed and operating effectively. If we are unable to assert that our internal control over financial reporting is effective as of December 15, 2009 (or if our auditors are unable to attest that our management's report is fairly stated or they are unable to express an opinion on the effectiveness of our internal controls), we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a material adverse effect on our stock price.

Failure to comply with the new rules may make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage and/or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons.

Because we are small and poorly capitalized, we must limit our exploration. This may prevent us from realizing any revenues and you may lose your investment as a result.

Because we are small and do not have much capital, we must limit the time and money we expend on exploration of interests on the optioned property. In particular, we may not:

- .
spend as much money as we would like to explore the property on which we own or share mining interests;
- .
devote the time we would like to explore the property on which we own or share mining interests.;
- .
rent the quality of equipment we would like to have for exploration;
- .

have the number of people working on the property on which we own or share mining interests that we would like to have.

By limiting our operations, it may take longer and cost more to explore our optioned property and decrease the likelihood of finding minerals, if they exist.

Item 1B. Unresolved Staff Comments

None

Item 2 Properties

Our principal office is located at 1671 Beaver Dam Road, Point Pleasant, NJ. Our principal office is provided b at no cost. We believe that the condition of our principal office is satisfactory, suitable and adequate for our current needs.

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

Our goal in exploration is to ascertain whether it possesses economic quantities of polymetallic veins. We cannot assure you that any economical mineral deposits exist until appropriate exploration work is completed. Even if we complete our proposed exploration program and we are 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.

Goldhawk Property, Omineca Mining Division, British Columbia, Canada

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.

In August 2007, we retained John Ostler, M.Sc., P. Geo. of Cassiar East Yukon Expediting Ltd., an independent professional geoscientist to prepare a technical report on the property.

Property description and locations

The Goldhawk Property consists of one mineral claim (Tenure No: 588901) located in the Omineca Mining Division of the Cassiar Land District of British Columbia, Canada (the Goldhawk Property). The Goldhawk Property covers 177.832 hectares.

There are no legal uncertainties regarding the area covered by the Goldhawk Property. There is no private land or aboriginal homeland on or adjacent to the Goldhawk Property. There are no known environmental liabilities. No permits have been applied for or acquired for the proposed work.

Geological Report

We retained the services of John Ostler, M.Sc., P.Geo., a professional mining engineer, to complete an evaluation of the Goldhawk Property and to prepare a geology report on the claim.

Mr. Ostler is a consulting geologist who graduated from the University of Guelph, in Ontario where he obtained his Bachelor of Arts degree in Geography (Geomorphology) and Geology in 1973 and he is a graduate of Carleton University of Ottawa, Ontario, where he obtained his Master of Science in Geology in 1977. Mr. Ostler is a registered as Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Ostler has been engaged in the study and practice of the geological profession for more than 35 years.

Based on his review, Mr. Ostler recommends an initial investigative phase followed by a multi-phase program of exploration on the Goldhawk Property. The first phase of exploration will consist of prospecting, geological mapping and sampling. Prospecting involves analyzing rocks on the property surface with a view to discovering indications of mineralization. Geological mapping consists of our consulting geologist and his assistant recording the types, mineralogy, and orientations of structures present in the rocks exposed on the property, and gathering rock, soil, and sediment samples from property areas with the most potential to host economically significant mineralization.

Samples will be sent to a laboratory where they will be crushed and analyzed for metal content.

Results from field work will be augmented by past exploration results to produce a synthesis of all relevant exploration results that can be used to determine the course of subsequent exploration and development of the mineral potential of the property. We anticipate covering part of the costs of the program from our existing cash reserve. The first phase is estimated to cost \$19,100 consisting mostly of geologist fees, transportation and costs, assaying and reporting costs.

After completing the exploration program, our consulting geologist will prepare a report discussing the results and conclusions of the program. He will also provide us with a recommendation for additional exploration work on the Goldhawk Property, which may include a soil geochemical survey. 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. Subject to obtaining funding, we expect to commence the second phase of exploration on the Goldhawk Property in the fall of 2008.

Accessibility, climate, local resources, infrastructure and physiography

Climate

Late April is the driest month in the Goldhawk Property area. The wettest month is June. Average annual precipitation is 21.17 inches (537.8 mm) of which 12.64 inches (321.1 mm) falls as rain and 9.53 inches (243.1 mm) or a water equivalent of 9.6 inches (243.1 mm) falls as snow. The property is clear of snow from May to October.

Access to the Property

Johanson Lake is located about 3 miles (5 km) south of the Goldhawk Property area. The lake can be accessed from the British Columbian highway system from Vanderhoof through Fort St. James. Vanderhoof is located on British Columbia Highway 16 between Prince George and Prince Rupert. Highway 16 is in the main east-west rail and road corridor in northern British Columbia. British Columbia Highway 27 is a paved road that extends northward from for 37.8 miles (62 km) from Vanderhoof to Fort St. James.

North of Fort St. James, British Columbia Highway 27 is an all-weather gravel road that is maintained as a secondary highway to the unincorporated villages of Manson Creek and Germansen Landing located about 128 miles (210 km) north of Fort St. James. Each village hosts a gas station and general store and rental cabins. North of Germansen Landing the road is referred to as the North Road. For many years, it terminated west of Johanson Lake about 3 miles (5 km) south of the Goldhawk Property. Recently, it has been extended to the Kemess mine site operated by Northgate Minerals Corporation. Heavy highway trucks travel this road continually throughout the year and it is of sufficient quality to support 2-wheel drive traffic.

Fort St. James is the closest supply and service center to the Goldhawk Property area that can support surface exploration programs. Although the helicopter bases at Smithers to the southwest and McKenzie to the southeast are somewhat closer to the property area than the helicopter base at Fort St. James, Fort St. James offers the site greater efficiency to operate trucking and air support for an exploration program.

Topography, elevation and vegetation

The Goldhawk Property is located in the upper part of a broad glacial valley where streams feeding Wrede Creek descend northward across mostly low-lying marshy areas. The areas immediately south and west of the property are occupied by a group of cirques, two of which contain small glacial tarns (ponds). This area is in the Wrede Range, a subdivision of the Swannell Ranges of the Omineca Mountains in north-central British Columbia.

Elevations on the Goldhawk Property range from 4,905 ft (1,495 m) at marsh around Wrede Creek at the northern boundary of the Goldhawk claim to about 6,365 ft (1,940 m) on the promontory at the property's western boundary.

Adequate fresh water for mining purposes could be drawn by gravity from the small lakes located 4.3 miles (7 km) along contour northwest of the property on the northern fork of Wrede Creek.

The southwestern part of the Goldhawk Property is above tree line where alpine grasses, sedges and flowers grow on steep slopes among numerous rock outcrops. The rest of the property covers the mostly till-covered valley floor around the south fork of Wrede Creek where slopes are gentle and terrain is marshy. The landscape is partly covered with a stunted near-alpine forest of mostly balsam fir and spruce. The timber in the property area is of insufficient size and quality for mining timber.

Soil profiles on the central part of the Goldhawk Property are typical of those found throughout this part of the Swannell Ranges. Profiles are sufficiently well developed for soil geochemical surveys to be successful in identifying areas of anomalous metal concentrations. Soil surveys have been conducted successfully during previous exploration programs in the Goldhawk Property area.

Geological Setting

Regional Geology

Jurassic rocks around the Goldhawk Property area were deposited in the Omineca Genticline, a trough that formed southwest of the North American craton after deformation and unroofing of Triassic-age strata during the Inclinian Orogeny. The trough hosted the outpouring of marine volcanic flows, pyroclastics, and sediments which became the rocks of the Early Jurassic-age Telkwa Formation of Hazelton Group. Fossils from Hazelton Group sedimentary strata dated from 200 to 167 million years ago, indicating that deposition of Hazelton-Group rocks in northern British Columbia progressed throughout and after the Inclinian Orogeny.

Rocks underlying the Goldhawk Property belong to the Quesnellia stratigraphic-tectonic terrain. In this region of British Columbia, Quesnellia consists principally of the Takla Group, a sequence of island arc volcanic and lesser sedimentary rocks, which include numerous sub-volcanic plutons. These rocks of Late Triassic to Middle Jurassic age, were obducted onto the margin of the North American continent, and then intruded by Cretaceous (post-accretion) plutons. Quesnellia hosts several important classes of mineral deposits in British Columbia, such as alkaline porphyry gold-copper (Mt. Milligan, Mt. Polley, Afton, Copper Mountain); calc-alkaline porphyry copper (Highland Valley), porphyry molybdenum (Boss Mountain), and intrusive-related gold. The Sustut epigenetic stratabound copper deposit, and the Kucho Creek volcanogenic massive sulphide deposits, occurs in Takla-like rocks near the Quesnellia Margin.

Regional Geophysics

The Goldhawk Property is located in an area of relatively low regional magnetism near the southwestern flank of an aeromagnetic high that is centered on exposures of Takla Group volcanic rocks. There are no disturbances in the total magnetic field related to any mineralization on the Goldhawk Property.

Deposit Types

All of the mineralization presently known on the Goldhawk Property is hosted by shear-related gold-bearing quartz veins in intermediate to mafic volcanic rocks. These veins are associated with northwesterly trending shear zones. These may have developed during the Jurassic-age Nassian Orogeny. The gold-bearing structures in the Goldhawk Property area resemble greenstone related gold veins.

Sewell 1 Claim, Similameen Mining Division, British Columbia, Canada (the Sewell 1 Claim)

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.

Mineral property exploration is typically conducted in phases. We have not yet commenced the initial phase of exploration on the U.S. Rambler Project, however, our based on our research, the goal in exploration of the US Rambler Project is to ascertain whether it possesses economic quantities of polymetallic veins. We cannot assure you that any economical mineral deposits exist in the U.S. Rambler Project until appropriate exploration work is completed.

Property description and locations

The Sewell 1 Claim consists of one mineral claim located in the New Westminster, Similkameen Mining Division of British Columbia, Canada. The Sewell 1 Claim is located approximately 140 km east of Vancouver and 23 km east-northeast of Hope and consists of 17 cells totaling an area of 357.2 hectares (882.6 acres). The U.S. Rambler showing is located on the northwest corner of the Sewell 1 Claim.

A logging road up Dewdney Creek provides access to the northwest corner of the mineral claim. Much of the area has been logged.

Accessibility, climate, local resources, infrastructure and physiography

The Sewell 1 Claim is located within the Hozameen Range, which is characterized by high, rugged mountains separated by narrow, deeply incised valleys. The Sewell 1 Claim is situated on the western slope of Summit Mountain and on the headwaters of Dewdney Creek. Elevations on the mineral claim range from 900 meters in the northwest corner, to over 1700 meters on the southeastern portion. The area is forested with fir, spruce and cedar trees.

The mineral claim is accessible from the Coquihalla Highway at the Carolin Mine turnoff, approximately 21-road kilometers northeast of Hope. From the highway turnoff, another 12 kilometers is traveled along a logging road up Dewdney Creek. The lower part of the logging road is in good condition, but the remainder has several poor sections. A four-wheel drive vehicle is required to travel the latter part of the road.

The city of Hope is the closest major population center. Traveling by car, the Sewell 1 Claim is located about 33 kilometers from Hope. Vancouver is about 150 kilometers east of Hope.

Snow normally covers the claims from the end of September to late June.

The lower part of the valley along Dewdney Creek has been logged. The Upper slopes of the valley are partly logged in areas.

History

The general area of the Sewell 1 Claim was explored intermittently from the late 1800 s to the present. Most of the exploration and mining activity was concentrated on Treasure Mountain located to the east of the Sewell 1 Claim.

The U.S. Rambler showing is located on the northeast corner of the Sewell 1 Claim. The U.S. Rambler showing is first mentioned in the 1913 British Columbia Mines Annual Report. A 15-meter adit was driven in the bedded quartzite.

Two of the minor shear zones are located on the Sewell 1 Claim. One of the shear zones is believed to be the U.S. Rambler showing. The other shear zone is located to the south of the U.S. Rambler showing along the south fork of Dewdney Creek.

In 1987, a two-day reconnaissance geological mapping program was conducted on the Argentum Mineral Claim (expired) by Silver Saddle Mines Limited. A portion of the program was done on the Sewell 1 Claim. Conclusions from the program are as follows:

While no mineralized zones were observed in the area traversed, it is concluded that Argentum claim has the potential for hosting silver-bearing base metal veins similar to those on Treasure Mountain. An Exploration program is recommended. (Gov. of B.C. Ministry of Energy, Mines and Petroleum Resources, Geological Branch Assessment Report 17,117)

Geological Setting

The area is underlain by Lower-Middle Jurassic Dewdney Creek Formation (Ladner Group) tuffaceous sediments comprised of volcanic sandstone, siltstone, tuff, and argillite with interlayered fossiliferous limestone. These rocks are separated from the Lower-Upper Cretaceous Pasayten Group sediments to the east, by the major northwest trending Chuwanten fault.

The U.S. Rambler showing occurs in bedded quartzite which strikes 015 degrees. There is minor shearing along the bedding planes. The rock is altered and oxidized with extensive limonitic staining. Vein filling along these shears is comprised mainly of altered hostrock and contains disseminated pyrite, galena and sphalerite. (Gov. of B.C. Ministry of Energy, Mines and Petroleum Resources, MINFILE No. 092HSW045, Capsule Geology).

The U.S. Rambler showing has a vein, stockwork type deposit similar to the nearby past producing Summit and Treasure Mountain mines. The origin of the deposits is classified as hydrothermal and epigenetic, with carbonate and chloritic alteration. The polymetallic veins contain silver, lead, zinc and minor amounts of gold.

Plan of Operation

We plan to retain the services of an independent mining engineer to prepare a technical report along with an exploration program. Proposed budget for the technical report is \$5,000.

Compliance with Government Regulation

We will be required to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in Canada generally, and in British Columbia specifically.

We will have to sustain the cost of reclamation and environmental mediation for all exploration and development work undertaken. The amount of these costs is not known at this time as we do not know the extent of the exploration program that will be undertaken beyond completion of the currently planned work programs. Because there is presently no information on the size, tenor, or quality of any resource or reserve at this time, it is impossible to assess the impact of any capital expenditures on earnings or our competitive position in the event a potentially economic deposit is discovered.

If we enter into production, the cost of complying with permit and regulatory environmental laws will be greater than in the exploration phases because the impact on the project area is greater. Permits and regulations will control all aspects of any production program if the project continues to that stage because of the potential impact on the environment.

Item 3. Legal Proceedings

We know of no material, existing or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to us.

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

During the current year, no matters were brought before the securities holders for voted thereon.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our shares of common stock are not quoted or traded on any electronic or other trading system. There is no public market for our common shares. We have identified a market maker who has filed a Form 211 application to allow it to be quoted on the OTCBB. There is no assurance that such a quotation will ever occur.

Our common shares are issued in registered form. Empire Stock Transfer Co., Inc., of 2470 St. Rose Parkway, Henderson, NV 89074 is our stock transfer agent. They can be contacted by telephone at (702) 818-5898 and by facsimile at (702) 974-1444.

On November 15, 2008 the shareholders' list of our common shares showed 36 registered shareholders holding 9,200,000 shares; there are no shares held by broker-dealers.

We have not declared any dividends since incorporation and do not anticipate that we will do so in the foreseeable future. Although there are no restrictions that limit the ability to pay dividends on our common shares, our intention is to retain future earnings for use in our operations and the expansion of our business.

Item 6. Selected Financial Data

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

We were incorporated in the State of Delaware on April 30, 2007 as Sewell Ventures, Inc. and established a fiscal year end of September 30. We are a start-up, exploration-stage Company engaged in the search for gold and related minerals. There is no assurance that a commercially viable mineral deposit, a reserve, exists in our claim or can be shown to exist until sufficient and appropriate exploration is done and a comprehensive evaluation of such work concludes economic and legal feasibility.

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). In August 2007, we retained an independent mining engineer to prepare a technical report on the property.

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.

Results of Operations

	Year Ended	
	September 30	
	2008	2007
Revenue	\$ -	\$ -
Operating Expenses	\$ 32,796	\$ 10,392
Net Profit (Loss)	\$ (32,796)	\$ (10,392)

Revenue

We have not earned any revenues since our inception.

Expenses

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Our operating expenses for the year ended September 30, 2008 and 2007 are outlined in the table below:

	Year Ended September 30	
	2008	2007
Professional Fees	\$ 22,100	\$ 3,439
General and administration costs	5,828	139
Mineral property costs	4,868	6,814
TOTAL	\$ 32,796	\$ 10,392

During the year ended September 30, 2008 we incurred operating expenses of \$32,796 as compared to \$10,392 for the last year and a total of \$43,188 for the period from inception on April 30, 2007 to September 30, 2008. The increase in the current year's spending can be attributed to our Company moving forward with its business plan, namely to allow the Company to be quoted on the OTCBB. The costs incurred can be further subdivided into the following categories.

Professional fees: we incurred \$22,100 in professional fees for the fiscal year ended on September 30, 2008 as compared to \$3,439 for the previous fiscal year. Increased costs were incurred in the past year as the result of the completion of the filing of an SB-2 report and the attendant legal, accounting and filing expenses as well as the formal commencement of our operational business plan. From inception to April 30, 2007 we have incurred \$25,539 in professional fees mainly spent on legal and accounting matters. This expense category will vary depending on corporate capital raising activities.

General and administrative expenses: we incurred \$5,828 in comparison to \$139 in the past year. For the period April 30, 2007 (inception) through September 30, 2008 a total of \$5,967 has been spent. The increase relates to miscellaneous expenditures.

Mineral property costs: We have incurred a total of \$11,682 from the period April 30, 2007 (inception) through September 30, 2008. This category will vary from year to year dependent on the exploration activities of the Company.

Research and development: we have not incurred any expenses for research and development since inception on April 30, 2007.

Compensation: No compensation costs were incurred for the fiscal year ended on September 30, 2008 and none were incurred in the previous fiscal year which ended on September 30, 2007. From inception to September 30, 2008 there have been no charges to the compensation account.

Income tax provision: As a result of operating losses, there has been no provision for the payment of income taxes from the date of inception.

At the end of the fiscal year under review, September 30, 2008 and as of the date of this report, we had 9,200,000 common shares issued and outstanding.

Liquidity and Capital Resources

As at September 30, 2008, we had a cash balance of \$10,118.

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 Phase One or Phase Two. 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 stated in their opinion that there currently exists a 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.

Use of Proceeds

Net cash provided by financing activities from inception on April 30, 2007 to September 30, 2008 was \$50,000 as a result of proceeds received from the sale of our common stock. As at September 30, 2008, we had a cash balance of \$10,118 and \$3,306 in accounts payables. From April 30, 2007 to September 30, 2008, the following table indicates how those proceeds have been spent to date:

Professional Fees	\$ 24,539
Office Expenses	3,661
Mineral property expenditures	11,682
Total Use of Proceeds to September 30, 2008	\$ 39,882

Future Operations

Presently, our revenues are not sufficient to meet operating and capital expenses. We have incurred operating losses since inception, and this is likely to continue through fiscal 2008 - 2009. Management projects that we may require \$55,000 to fund our ongoing operating expenses and working capital requirements for the next twelve months, broken down as follows:

Operating expenses	\$ 15,000
Goldhawk Property: Phase I exploration program	20,000

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Sewell 1 Claim: technical study	5,000
Working Capital	15,000
Total	\$ 55,000

As at September 30, 2008 we had a working capital surplus of \$6,812. We need to raise the additional capital as required to meet the balance of our estimated funding requirements for the next twelve months primarily through the issuance of other privately placed securities. We do not anticipate that we will be able to satisfy any of these funding requirements internally until we significantly increase revenues.

Due to the uncertainty of our ability to meet our current operating and capital expenses, in their report on the annual financial statements for the year ended September 30, 2008, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

There is substantial doubt about our ability to continue as a going concern because our business is dependent upon obtaining further financing. The issuance of additional equity securities by us could result in a significant dilution

in the equity interests of current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Future Financings

We will require additional financing in order to enable us to proceed with our plan of operations, as discussed above. Accordingly, we will require additional financing in order to continue operations. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will not be able to meet our other obligations as they become due. We are pursuing various alternatives to meet our immediate and long-term financial requirements.

We anticipate continuing to rely on equity sales of our common stock in order to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of equity securities or arrange for debt or other financing to fund our planned business activities.

We presently do not have any arrangements for additional financing and no potential lines of credit or sources of financing are currently available for the purpose of proceeding with our plan of operations.

Contractual Obligations

As a smaller reporting company, we are not required to provide tabular disclosure obligations.

Going Concern

We are in the development stage, have not yet achieved profitable operations and are dependent on our ability to raise capital from stockholders or other sources to meet obligations arising from normal business operations when they become due. Therefore, in their report on our audited financial statements for the year ended September 30, 2008, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosure describing the circumstances that lead to this disclosure by our independent auditors.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 8. Financial Statements and Supplementary Data

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

The Report of Independent Registered Public Accounting Firm issued by LLB & Associates Ltd., LLP for the audited financial statements for the year ended September 30, 2008 and the periods from April 30, 2007 (inception) through September 30, 2008 and 2007 is included herein immediately preceding the audited financial statements.

Our audited financial statements are included following the signature page to this Form 10K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There were no disagreements related to accounting principles or practices, financial statement disclosure, internal controls or auditing scope or procedure during the two fiscal years and interim periods, including the interim period up through the date the relationship ended.

Item 9A(T). Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management does not expect that our disclosure controls or our internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources and the benefits of a control system must be considered relative to its costs. These limitations also include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of a control. A design of a control system is also based upon certain assumptions about potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

As of September 30, 2008, the year end period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, we have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report. There have been no significant changes in our internal controls over financial reporting that occurred during the fiscal year ended September 30, 2008 that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Management has employed a framework consistent with Exchange Act Rule 13a-15(c), to evaluate internal control over financial reporting described below. Internal control over financial reporting is a process designed to provide reasonable assurance regar