



A British Virgin Islands Company

Date. 22-07-2017

## Sefton Resources Update and Share Issuance

### Third and Final Ellerton Court Case Judgement and Costs

1/ Sefton are pleased to announce that the third and final court case brought by the disgraced former Executive Mr John James Ellerton, has been dismissed. In accordance with the orders filed during the pendency of this case, and pursuant to Fed. R. Civ. P. 58(a), the Final Judgment was entered. Pursuant to the Orders entered by Judge Raymond P. Moore on October 24, 2016; March 8, 2017; and April 7, 2017; it is ORDERED that Plaintiffs C&J Resources, Inc., and C&J Resources Pension Plan and Trust are dismissed. The Court then entered judgment on all claims on April 7, 2017. Sefton has also secured judgement for \$47,672.63 in costs awarded to the Company against Ellerton. The total amount now owed by Ellerton to Sefton is \$187,672.63. \$140,000 of the amount currently accrues at 10% per annum on the Lien attached to Ellerton's jointly owned Hawaiian property. In total Ellerton owes in excess of \$200,000. Sefton are currently seeking legal advice from their USA lawyers on the return of this sum. **Take note Sefton will pursue Ellerton for full payment and all costs associated with its return.**

### Share Issuance

2/ As per the update of 1<sup>st</sup> July 2017, the Company is pleased to announce that in line with the cash conservation policy, Sefton issued 1,200,000,000 Ordinary Shares to the newly appointed Directors. Each Director received 300,000,000 shares in lieu of their fee. The Chief Executive Officer, Mr Daniel Levi, elected to convert £12,500 of the outstanding Loan Note into stock. Mr Levi was issued 1,000,000,000 Ordinary Shares. A further 300,000,000 Ordinary Shares was also issued in lieu of cash for professional services provided to the Company. Total shares now in issue: 8,949,299,416 Ordinary Shares with voting rights attached (one vote per share). There are no shares held in treasury.

Director holdings: Mr Charnjit Matharu: **NED** (3.92%) 350,413,288: Mr Christopher Bailey: **NED** (3.52%) 316070513: Mr Michael Barnes: **NED** (3.6%) 322,237,178: Miss Michelle Conway: **NED** (4.18%) 373,800,233: Mr Royston Evans: **NED** (3.45%) 308,643,810: Mr Daniel Levi: **Chief Executive Officer.** (26.57%) 2,377,892,369.

### Loan Note



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3/ To cover projected ongoing legal and administration costs, Sefton entered into a loan agreement with the Chief Executive Officer Mr Daniel Levi. Mr Levi agreed to provide £50,000 via a Secured Loan Note. £22,500 of the original loan has now been repaid. The total amount outstanding is £40,000. Mr Levi has the option to call in the note or any portion of the outstanding note at any time or convert to stock any portion of the Loan Note that takes his holding up to 29.9% of the Company at the current net cash value per share. Mr Levi has indicated that he may convert a further portion of the Loan Note to take his stake up to 29.9% via the outstanding Loan Note, should the Company's financial position deteriorate further

## **Annual General Meeting & Accounts**

As a BVI company Sefton are not governed by AIM or UK Company regulations. Dates and venue for the Annual General Meeting and release of the Consolidated accounts up to December 2016 are in the process of being formalised. As soon as the Consolidated Accounts are completed by the Accountants then they will be released prior to the announcement of the Annual General Meeting.

### **Mr Daniel Levi (CEO) Statement**

*"It's very pleasing that the third and final malicious case brought by the wholly disgraced Ellerton has now been resolved. Ellerton has been legally put to the sword. **This Company will not hesitate to defend its right to exist.** All those who have sought and currently seek to undermine Sefton will be dealt with through proper legal channels. We have in place all correct Corporate Governance procedures with full Board oversight. The newly appointed Directors have agreed to take 'paper' and pay their own expenses. In business, when your Company is struggling to survive, taking cash out in fees and expenses is a 'Death Wish'. You cannot run or grow a business in critical care by rinsing out cash to line your own pockets and cooking the books with 'Intangibles'.*

*I have personally invested £15,000 and supplied a £50,000 cash loan to the Company, in total £27,500 of my own money has been converted into stock. Not one single penny has been used to pay Director fees/expenses for phone calls, stamps, paper, printing, entertainment, travel and so on and so forth. **Directors are fully committed.***

*For me as CEO, it is imperative that management put **'their money where their mouth is'**. All too often, distressed companies are further damaged by the failure of their management to grasp Business 101 Rules: **preserve cash and invest your own money in the Company.** Those that fail to put their hands in their own pockets do so because they see their company as a way to extract cash for themselves rather than make money for their share-holders. All Directors are fully incentivised to grow Sefton. They have skin in the game"*

For and on behalf of the Board.

Daniel Levi Chief Executive Officer

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