

Sefton Resources Inc

Statement

In our last update we informed you that we would be making a distribution of spare cash and closing down the business. This was due to the scuttling of opportunities we had lined up, by a small group of shareholders who threatened but did not deliver an EGM. This scuppered our efforts as no one will fund or enter a material deal with a management on the brink of being replaced.

This threat therefore made the continuation of Sefton unattractive.

A number of shareholders consequentially pleaded with us to do something with the business rather than shutter it and pay out nominal sums to shareholders, but we felt unable to take this tack.

Subsequently we were made an offer of an investment in the company that would break the stalemate and inject new prospects for the business.

As you may well be used to by now a random problem struck. This opportunity was halted by the intervention of our legal insurers who have decided to cease paying out our legal costs and contest the situation and throw the whole situation into flux.

Happily after a delay and further discussions we have come to terms with the proposed investors.

They have invested at a small premium to the projected value of the company's net cash, £15,000. They have the support of enough shareholders to command what amounts to control, through their ability to invoke an EGM and place themselves on the board and replace myself and Michael Hodges as directors. However, it was their willingness to put cold hard cash into the company that made us open to their approach.

They have requested to replace Michael and I and we will be stepping aside as directors, for them to take over taking the business forwards.

The party in question is Dan Levi and Mike Barnes. Dan Levi should be well known to you while Mike Barnes is an FCA regulated wealth manager.

Mr Levi having rescued Sefton from the teeth of collapse in early 2015 is keen to try to do the same again and from my observations and experience of working with him over that period I can say, if anyone can, it would be Mr Levi. Mr Barnes is not known to me but as a regulated person that credential is good comfort.

Mr Levi has significant support from Sefton shareholders, enough to carry or vigorously oppose any EGM, has intimate knowledge of the business, a record of turning this company around in the past and the will and energy to try and do so again.

As your retiring board we think that this is the best prospect for shareholders.

