

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB/A

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d) [amend]

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FILER

RICH COAST INC

CIK: **814186** | IRS No.: **980130480** | Fiscal Year End: **0430**
Type: **10QSB/A** | Act: **34** | File No.: **000-15859** | Film No.: **99574446**
SIC: **1311** Crude petroleum & natural gas

Mailing Address
206-475 HOWE ST
VANCOUVER BC CANADA
V6C-2B3

Business Address
475 HOWE ST STE 206
VANCOUVER BC CANADA A1
6046848290

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-QSB/A No. 1

- (X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended January 31, 1999
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: 0-15859

RICH COAST INC.

(Exact name of small business issuer as specified in its charter)

Nevada

91-1835978

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

10200 Ford Road, Dearborn, MI 48126

(Address of principal executive offices)

(313) 582-8866

(Issuer's telephone number)

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

Check whether the registrant (1) filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 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 X NO
--- -----

The number of shares outstanding of the issuer's classes of common equity, as of
January 31, 1999 is 6,036,318 shares of Common Stock.

Transitional Small Business Disclosure Format (check one): YES _____ NO X

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RICH COAST, INC.

Interim Consolidated Financial Statements
January 31, 1999
(Unaudited)

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RICH COAST, INC
Consolidated Balance Sheets
(Unaudited)
(U.S. Dollars)

<TABLE>
<CAPTION>

	January 31, 1999	April 30, 1998

Assets		
Current		
<S>	<C>	<C>
Cash	\$ 13,745	\$ 53,043
Accounts receivable	583,418	460,558
Insurance claim receivable	0	435,290
Shares subscription receivable	0	25,000
Inventory	37,576	108,265

	634,739	1,082,156
Distillation Unit	2,024,706	2,024,706
Property and Equipment, at cost (net)	3,510,469	2,990,373
Deferred Finance Charges and Other Assets	302,049	146,413

	\$ 6,471,963	\$ 6,243,648

Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 869,131	\$ 838,966
Accrued oil and waste treatment costs	184,589	450,444
Current portion of long-term debt	52,218	595,309

	1,105,938	1,884,719
Long-Term Debt	3,531,724	2,016,510

	4,637,662	3,901,229

Stockholders' Equity		
Common stock, \$0.001 par value; 100,000,000 shares authorized, 6,036,366 and 4,718,942 (post reverse split) shares issued and outstanding at January 31, 1999 and April 30, 1998, respectively	20,802	18,901
Additional paid-in capital	24,007,492	22,566,414
Accumulated deficit	(22,193,993)	(20,242,896)

	1,834,301	2,342,419

	\$ 6,471,963	\$ 6,243,648

</TABLE>

See notes to financial statements.

RICH COAST, INC.
Consolidated Statements of Operations
(Unaudited)
(U.S. Dollars)
<TABLE>

<CAPTION>

<S>	Three Months Ended January 31,		Nine Months Ended January 31,	
	<C> 1999	<C> 1998	<C> 1999	<C> 1998
Sales	\$ 565,188	\$ 813,761	\$ 1,705,216	\$2,018,459
Cost of Sales (exclusive of depreciation)	415,779	416,939	1,043,700	917,086
Gross Profit	149,409	396,822	661,516	1,101,373
Expenses				
Interest - beneficial conversion feature	109,457	32,054	764,764	130,514
Salaries and wages	295,603	180,186	766,854	672,658
Consulting and finance fees	17,589	3,242	181,817	148,852
Interest	86,449	72,874	279,753	211,437
Insurance	22,059	24,029	70,722	84,906
Utilities	33,454	36,823	71,123	89,376
Audit, accounting and legal	66,349	61,191	180,872	104,966
Travel	10,111	13,902	101,648	51,275
Office and general	40,395	53,362	96,053	132,997
Property taxes	20,105	19,421	81,205	71,959
Telephone and facsimile	20,494	9,257	49,221	24,395
Advertising and shareholder relations	26,281	2,000	123,428	4,006
Bad debts	0	564	0	2,787
Depreciation	82,619	65,076	220,084	196,867
	830,965	573,981	2,987,544	1,926,995
Loss Before Other Items	(681,556)	(177,159)	(2,326,028)	(825,622)
Other Items				
Gain on fire insurance claim	0	237,500	89,343	237,500
Accrued oil and waste treatment cost reversal	0	0	285,588	0
	0	237,500	374,931	237,500
Income (Loss) for Period	\$ (681,556)	\$ 60,341	\$ (1,951,097)	\$ (588,122)
Loss Per Share Before Other Items	\$ (0.14)	\$ (0.04)	\$ (0.48)	\$ (0.20)
Gain Per Share on Other Items	\$0.00	\$0.05	\$0.08	\$0.06
Income (Loss) Per Share	\$ (0.14)	\$0.01	\$ (0.40)	\$ (0.14)
Weighted Average Number of Shares Outstanding (Post Reverse Split)	4,960,062	4,395,145	4,848,094	4,224,930

</TABLE>

See notes to financial statements.

(Unaudited)
(U.S. Dollars)

<TABLE>
<CAPTION>

	Nine Months Ended January 31,	
	1999	1998
<S>	<C>	<C>
Net Cash Used in Operating Activities	\$ (700,575)	\$ (465,058)
Investment Activity		
Capital asset additions	(748,468)	(117,300)
Financing Activities		
Collection subscriptions receivable	25,000	0
Issue of capital stock for cash	187,955	138,700
Proceeds from convertible debenture	1,500,000	526,950
Repayment of long-term debt	(95,642)	(31,085)
Deferred finance charge	(207,568)	(44,828)
	1,409,745	589,737
Increase (Decrease) in Cash	(39,298)	7,379
Cash, Beginning of Period	53,043	12,919
Cash, End of Period	\$ 13,745	\$ 20,298
Supplemental information		
Interest paid	\$ 198,296	\$ 111,437

</TABLE>

See notes to financial statements.

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RICH COAST, INC.

Notes to Consolidated Financial Statements
January 31, 1999 and April 30, 1998
(Unaudited)
(U.S. Dollars)

1. BASIS OF PRESENTATION

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States for interim financial information. These financial statements are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's audited consolidated financial statements filed as part of the Company's April 30, 1998 Form 10-KSB.

In the opinion of the Company's management, these financial statements reflect all adjustments necessary to present fairly the Company's consolidated financial position at January 31, 1999 and 1998 and the consolidated results of operations and the consolidated statement of cash flows for the nine months then ended. The results of operations for the nine months ended January 31, 1999 are not necessarily indicative of the results to be expected for the entire fiscal year.

2. CAPITAL STOCK

(a) Authorized 100,000,000 common shares of \$0.001 par value

(b) Issued during the period:

<TABLE>
<CAPTION>

	Number of Shares	Price Per Share (\$)	Amount
	(post reverse split)		
<S>	<C>	<C>	<C>
Nine Months Ended January 31, 1998			
Shares issued			
For cash, options and warrants	155,432	\$0.88	\$138,700
For services	103,653	\$1.36	141,874
Financing fees	12,512	\$1.00	12,500
Forbearance of interest	25,025	\$0.01	25,000
Settlement of debt	130,430	\$0.77	99,709
	427,052		\$417,783
Nine Months Ended January 31, 1999			
Shares issued			
For cash - options	229,626	\$0.83	\$187,955
Interest on notes	47,499	\$1.22	58,024
Settlement of debt	1,040,299	\$0.67	697,000
	1,317,424		\$942,979

</TABLE>

(c) Effective June 19, 1998 there was a one for four reverse split of the authorized common stock.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

The following information should be read in conjunction with the unaudited consolidated financial statements included herein which are prepared in accordance with generally accepted accounting principles ("GAAP") in the United States for interim financial information.

Results of Operations

Revenues for Rich Coast's third quarter are \$565,188, up 4.6% from the previous quarter, but disappointing and unacceptable to Rich Coast management. The Company experienced a loss of \$681,556 for the quarter, compared to a loss of \$177,159 for the same period in the prior year. Interviews with customers and analysis of conditions show that consolidations in the industry have resulted in larger but lower profit margin contracts between generators and the largest waste disposal companies in the Detroit, Michigan area. For the most part waste generators are manufacturers involved in the automotive industry where the trend has been and continues to be toward doing business with highly integrated Tier I companies, i.e., well financed companies that handle both hazardous and non-hazardous wastes and have both landfills and truck fleets. Rich Coast's financing is far too expensive to allow the company to compete in such a low profit margin business. This situation has not evolved overnight and Rich Coast's management has been exploring various technologies that could provide a higher profit margin as well as some business exclusivity. That technology has been identified and demonstrated successfully at a slaughterhouse, a paper pulp

company and at a trap grease processing company. All three demonstrations went exceedingly well and have resulted in several requests for quotations for systems incorporating Rich Coast's proprietary process which is a chemical air sparged system (CASS) that separates liquids and solids to reduce, dramatically, total fats, oils and greases (FOG); biological oxygen demand (BOD); and chemical oxygen demand (COD). Rich Coast will sell, lease or provide and operate systems. Funding requirements for manufacturing the cash systems are minimal as a result of Rich Coast's utilization of manufacturing facilities at a local company experienced in fabricating similar equipment.

The closing for the sale of the Company's Ford Road facility is scheduled for March 30, 1999. Rich Coast will receive \$215,000 at closing to pay off its principal balance of \$79,747 due on the property and utilize remaining funds for consolidation at the Company's Wyoming Avenue terminal. Rich Coast will also hold a five year land contract for the \$235,000 balance due which will produce monthly payments to Rich Coast of \$4,765. The combination of additional consolidated savings and revenues from an agreement with Murco, Inc., a slaughterhouse operation in Plainwell, Michigan, should take Rich Coast to essentially breakeven. Thereafter, rapid expansion of CASS system installations is expected as a result of successful demonstrations, thus generating profitability early in the fiscal year starting May 1, 1999.

Changes in Financial Condition

The Company's net tangible assets have improved to \$1,834,301 from \$1,634,168 last quarter, mostly as a result of converting \$697,000 of promissory notes into 1,040,299 Rich Coast common

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shares and offset by \$681,556 of net loss for the quarter. The Company still intends to hold a shareholder's meeting, now tentatively scheduled for April 30, 1999, to vote on approval of issuance of preferred shares. Management has been assured that the holders of \$1,500,000 in convertible debentures intend to convert to preferred stock, thus improving the Company's net tangible assets by that amount. The Company found it necessary to postpone its meeting previously scheduled for January 1999.

In February 1999, the Company's shares were de-listed from Nasdaq. The Company is appealing the Nasdaq decision to de-list its shares.

Forward-Looking Statements

The following cautionary statements are made pursuant to the Private Securities Litigation Reform Act of 1995 in order for Rich Coast to avail itself of the "safe harbor" provisions of that Act. Discussions and information in this document which are not historical facts should be considered forward-looking statements. With regard to forward-looking statements, including those regarding the potential revenues from the commercialization of the CASS treatment system, the expected installations at slaughterhouses, the expected increase in revenues, and the business prospects or any other aspect of Rich Coast, be advised that actual results and business performance may differ materially from that projected or estimated in such forward-looking statements. Rich Coast has attempted to identify in this document certain of the factors that it currently believes may cause actual future experience and results to differ from its current expectations. In addition to the risks cited above specific to the CASS treatment system, differences may be caused by a variety of factors, including but not limited to, adverse economic conditions, entry of new and stronger competitors, inadequate capital and the inability to obtain funding from third parties, the rejection of the Company's insurance claim relating to the fire, unexpected costs, and failure to capitalize upon access to new clientele.

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PART II - OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(c) In December 1999 the Company issued an aggregate of 1,087,798 shares for accrued interest and conversion of principle on the Company's outstanding 10% 18-Month Convertible Promissory Notes. The shares were issued in reliance on Section 4(2) of the Securities Act since the shares were issued in connection with the private placement of the 10% Notes relying on the same exemption and the investment decision to take shares in lieu of cash payments was made at the time the 10% Notes were purchased.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 3(i) - Articles of Incorporation. (1)

Exhibit 3(ii) - Bylaws. (1)

Exhibit 27.1 - Financial Data Schedule. Filed previously.

(1) Incorporated by reference from Registration Statement on Form S-3, File No. 333-63289, filed with the SEC on September 11, 1998.

(b) Reports on Form 8-K: During the quarter ended January 31, 1999, the Company filed no reports on Form 8-K.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 10-QSB/A No. 1 for 1/31/99 to be signed on its behalf by the undersigned thereunto duly authorized.

RICH COAST INC.

Date: March 25, 1999

by: /s/ James P. Fagan

James P. Fagan, President

Date: March 25, 1999

by: /s/ Michael M. Grujicich

Michael M. Grujicich, Chief Financial
and Accounting Officer

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