

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.: **99574511**
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. 2

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

For the quarterly period ended October 31, 1998

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
October 31, 1998 is 4,921,869 shares of Common Stock.

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

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RICH COAST, INC.

Interim Consolidated Financial Statements
 October 31, 1998
 (Unaudited)

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RICH COAST, INC.
 Consolidated Balance Sheets
 (Unaudited)
 (United States Dollars)

<TABLE>
 <CAPTION>

	October 31, 1998	April 30, 1998
<S>	<C>	<C>
Assets		
Current		
Cash	\$ 300,782	\$ 53,043
Accounts receivable	606,739	460,558
Insurance claim receivable	0	435,290
Subscriptions receivable	0	25,000
Inventory	37,576	108,265
	945,097	1,082,156
Distillation Unit	2,024,706	2,024,706
Capital Assets	3,597,232	2,990,373
Deferred Finance Charges and Other Assets	331,042	146,413
	\$ 6,898,077	\$ 6,243,648
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 832,681	\$ 838,966
Accrued oil and waste treatment costs	121,792	450,444
Current portion of long-term debt	645,486	595,309
	1,599,959	1,884,719
Long-Term Debt	3,538,309	2,016,510
	5,138,268	3,901,229

Shareholders' Equity

Common stock, \$0.001 par value; 100,000,000 shares authorized, 4,921,917 and 4,718,942 (post reverse split) shares issued and outstanding at October 31, 1998 and April 30, 1998, respectively	19,688	18,901
Additional paid-in capital	23,252,559	22,566,414
Accumulated deficit	(21,512,438)	(20,242,896)
	1,759,809	2,342,419
	\$ 6,898,077	\$ 6,243,648

</TABLE>

See notes to consolidated statements.

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RICH COAST, INC.
Consolidated Statements of Operations
(Unaudited)
(United States Dollars)
<TABLE>
<CAPTION>

<S>	Three Months Ended October 31,		Six Months Ended October 31,	
	1998	1997	1998	1997
	<C>	<C>	<C>	<C>
Sales	\$ 534,537	\$ 642,912	\$ 1,140,028	\$1,204,698
Cost of Sales (exclusive of depreciation)	315,341	240,014	627,921	500,147
Gross Profit	219,196	402,898	512,107	704,551
Interest - beneficial conversion feature	77,654	0	655,307	0
Salaries and wages	234,236	251,749	471,251	492,472
Interest	88,612	60,603	193,304	114,490
Office and general	20,957	31,408	55,658	77,865
Consulting and financing fees	20,258	45,722	164,228	169,683
Audit, accounting and legal	63,829	20,722	114,523	43,775
Travel	39,319	21,282	91,537	37,373
Property taxes	19,137	35,230	61,100	52,538
Insurance	18,035	28,256	48,663	60,877
Utilities	19,026	22,770	37,669	52,553
Telephone and facsimile	18,979	7,248	28,727	15,138
Advertising and shareholder relations	92,378	1,770	97,147	3,776
Bad debts	0	1,013	0	2,223
Depreciation	68,487	65,627	137,465	131,791

	780,907	593,400	2,156,579	1,254,554
Loss Before Other Items	(561,711)	(190,502)	(1,644,472)	(550,003)
Other Items				
Gain on fire	89,343	0	89,343	0
Accrued oil and waste treatment cost reversal	285,588	0	285,588	0
	374,931	0	374,931	0
Loss For Period	\$ (186,780)	\$ (190,502)	\$ (1,269,541)	\$ (550,003)
Loss Per share Before Other Items	\$ (0.11)	\$ (0.04)	\$ (0.34)	\$ (0.13)
Gain Per Share on Other Items	0.07	0.00	0.07	0.00
Loss Per Share	\$ (0.04)	\$ (0.04)	\$ (0.27)	\$ (0.13)
Weighted Average Number of Shares Outstanding (post-reverse split)	4,891,791	4,147,578	4,792,112	4,089,803

</TABLE>

See notes to consolidated financial statements.

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RICH COAST, INC.
Consolidated Statements of Cash Flows
(Unaudited)
(United States Dollars)

<TABLE>
<CAPTION>

	Six Months Ended October 31,	
	1998	1997
Net Cash Used in Operating Activities	\$ (396,705)	\$ (304,223)
Investing Activities		
Capital asset additions	(744,324)	(124,461)
Financing Activities		
Deferred finance charge	(184,629)	(38,637)
Issue of capital stock for cash	156,729	0
Proceeds from convertible debenture	1,500,000	486,967
Repayment of long-term debt	(83,332)	(27,488)
	1,388,768	420,842

Increase (Decrease) in Cash	247,739	(7,842)
Cash, Beginning of Period	53,043	12,919
Cash, End of Period	\$ 300,782	\$ 5,077
Supplemental Information		
Interst paid	\$ 127,695	\$ 107,437
Income taxes	0	0

</TABLE>

See notes to consolidated financial statements.

RICH COAST, INC.
Notes to Consolidated Financial Statements
October 31, 1998 and April 30, 1998
(Unaudited)
(United States 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 October 31, 1998 and 1997 and the consolidated results of operations and the consolidated statement of cash flows for the six months then ended. The results of operations for the three months ended October 31, 1998 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>

Six Months Ended October 31, 1997

Shares issued

For services	103,550	\$1.36	\$142,910
Financing fees	12,500	\$1.00	12,500
Forbearance of interest	25,000	\$0.01	200
Settlement of debt	130,300	\$0.77	\$99,709

271,350 255,319

Six Months Ended October 31, 1998

Shares issued

For cash options	167,750	\$0.86	\$144,755
Interest on notes	33,349	\$1.27	42,176

201,099 \$186,931

</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

Rich Coast's second quarter produced revenues of \$534,537, resulting in first half revenues of \$1,140,028, which were down 5.6% from a year ago. Reduced revenues are attributed to the General Motors strike and a delay in bringing new process capability on stream. The new process capability, which consists of a combination production and demonstration system utilizing new liquid separation technology, went into operation in October and offset the General Motors strike related losses to the extent that October revenues were at \$195,196. A new sanitary sewer discharge permit, which comprehends significantly larger discharge rates resulting from increased commercial use of the new separation technology, has now been approved.

The expected offer to purchase the Company's Ford Road facility was received and signed by both parties on October 20, 1998. The offer is contingent upon the Buyer's receipt of a federal government guaranteed manufacturer's loan approval and completion of an environmental risk assessment within ninety days from the October 20, 1998 date of offer; however, the Buyer claims to have adequate funding even without the federal guarantee. Upon closing of the sale, all Dearborn operations will be consolidated at the Company's Wyoming Avenue terminal site and will allow significant savings to be realized.

The Company booked \$89,343 as gain on fire, which represents funds received from insurance settlement. The funds were based on a decline in asset values suffered in a fire. As a result, the cost basis of these assets was reduced along with accumulated depreciation and a gain resulted. The Company also booked a \$285,588 gain from accrued waste and oil treatment cost adjustment, which was merely a change from a previous estimate of the treatment cost.

Production operations of Rich Coast's unique new air sparged hydrocyclone ("ASH") system for separation of liquid waste streams and pumpable waste streams containing a mixture of liquids and solids has been underway since early July 1998 with very encouraging results. This production system has also been used to demonstrate waste processing to prospective customers. Demonstrations have been highly successful in separation and recovery of wastes discharged by slaughterhouse operations and by the paper/pulp industry. On-customer-site installations are now planned for both industries with the initial installation now underway at a slaughterhouse in Michigan. Results are expected to be very profitable for both the customer and Rich Coast, but most significant to the future of Rich Coast is that the Company can go worldwide with installations, no longer having to depend on trucking companies and brokers to bring business into the Company's Dearborn facility. This tremendous new business potential plus the Company's recent approval from a Tier I automotive supplier to service thirty Michigan automotive plants should allow Rich Coast

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to achieve its revenue projections of \$375,000 per month, or \$4.5 million per year, starting with its fiscal year commencing May 1, 1999. The Company expects to attain the breakeven revenue rate of \$270,000 per month by the end of fiscal 1999.

The contracts reported in the Company's first quarter report were "put on hold" after architectural work was completed. Those contracts were to improve and expand Rich Coast's oil processing and pit sludge operations; however, profitability from the slaughterhouse waste treatment and recovery system are much more attractive and the "held" contract funds have been diverted to complete the slaughterhouse system, the first portion of which should be producing revenue by fiscal year end.

Changes in Financial Condition

Rich Coast was advised by NASDAQ on October 19, 1998 that the Company does not meet the minimum net tangible assets requirement which is \$2,000,000 and which the Company has previously met in order to maintain its NASDAQ small cap listing. Net tangible assets reported as of October 31, 1998 were \$1,428,767. Rich Coast requested and has been granted a hearing on December 18, 1998 to present its plan to return to and stay at a net tangible asset position in excess of \$2,000,000. The Company's plan includes a shareholder's meeting scheduled for January 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. In addition the Company is currently asking holders of its 10% 18 month convertible notes aggregating \$697,000 to convert into common shares which could thus reduce debt by \$697,000. The improvements in net tangible assets of \$1,500,000 and \$697,000 total \$2,197,000. When added to October 31 net tangible assets of \$1,428,767, net tangible assets will be \$3,625,767. Prior to the NASDAQ hearing on December 18, 1998, Rich Coast expects to have a very profitable contract signed with the previously mentioned slaughterhouse company as a result of successful operation of Rich Coast equipment installed at the offsite location during December 1998. Based on trial waste recovery experience, that single installation should offset all of Rich Coast's operational losses and set the stage for installation of eight additional systems at associated slaughterhouse plants.

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 ASH 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 ASH 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.

PART II - OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(c) On October 1, 1998 the Company issued an aggregate of 25,251 shares as accrued interest for the calendar quarter ended September 1998, 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 and Rule 506 promulgated thereunder 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 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At a Special Meeting of Shareholders held in Dearborn, Michigan on August 28, 1998, the shareholders voted on two matters: The following is a description of each matter voted upon at the meeting and a tabulation of the vote on each proposal.

Proposal Number One:

The affirmative vote of a majority of the Company's outstanding shares of Common Stock was necessary to amend Article II of the Company's Articles of Incorporation to authorize preferred stock. The votes were cast as follows:

<TABLE>
<CAPTION>

FOR	% of shares outstanding	AGAINST	% of shares outstanding	ABSTAIN	% of shares outstanding
<S> 1,329,887	<C> 27.3%	<C> 828,085	<C> 17.0%	<C> 95,534	<C> 1.9%

</TABLE>

Proposal Number Two:

The affirmative vote of a majority of the shares of Common Stock represented at the meeting was necessary to approve the potential issuance of an aggregate number of shares of the Company's Common Stock exceeding 20% of the shares of Common Stock outstanding on July 8, 1998. The votes were cast as follows:

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<TABLE>
<CAPTION>

FOR	% of shares represented	AGAINST	% of shares represented	ABSTAIN	% of shares represented
<S> 1,344,980	<C> 59.7%	<C> 803,866	<C> 35.7%	<C> 104,660	<C> 4.6%

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 herewith.

(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 October 31, 1998, 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 amended report 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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