FORM 10KSB/A

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]
[amend]

Filing Date: **1999-03-26** | Period of Report: **1998-04-30**
SEC Accession No. 0000927356-99-000470

(HTML Version on secdatabase.com)

FILER

RICH COAST INC

CIK:**814186**| IRS No.: **980130480** | Fiscal Year End: **0430**
Type: **10KSB/A** | Act: **34** | File No.: **000-15859** | Film No.: **99574533**
SIC: **1311** Crude petroleum & natural gas

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB/A No. 2

(Mark One)

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED APRIL 30, 1998

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD OF _________ TO _________.

Commission File Number: 0-15859

Rich Coast Inc.
(Name of small business issuer in its charter)

Nevada	91-1835978
State or other jurisdiction of incorporation or organization	(I.R. S. Employer Identification No.)

10200 Ford Road, Dearborn, Michigan 48126
(Address of principal executive offices)

Issuer's telephone number: 313-582-8866
Securities registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act:

Common Stock, $.001 Par Value
(Title of Class)

Check whether the Issuer (1) 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 [x] No [ ]

Check here if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B 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-KSB or any amendment to this Form 10-KSB. [ ]

Issuer's revenues for its most recent fiscal year: $2,547,083.

At July 14, 1998 there were 4,876,645 shares of the Registrant's $.001 par value

Common Stock ("Common Stock"), the only outstanding class of voting securities, outstanding. Based on the closing price of the Common Stock as reported by Nasdaq on July 14, 1998, the aggregate market value of Common Stock held by non-affiliates of the Registrant was approximately $7,070,305.

Transitional Small Business Disclosure Format (check one): Yes [ ] No [x]

Rich Coast Inc.
FORM 10-KSB

PART I

Item 1. Description of Business

General Development of Business.

Rich Coast Inc. (the "Company" and/or "Rich Coast") is a non-hazardous waste treatment facility specializing in recycling of waste oils. Effective July 14, 1998 the Company reincorporated in the State of Nevada and now operates under the General Corporation Law of the State of Nevada. Rich Coast's executive office is located at 10200 Ford Road, Dearborn, MI 48126. All of Rich Coast's operations are located in Dearborn, Michigan at 10200 Ford Road and at 6011 Wyoming Avenue.

Until 1992, the Company's primary focus was exploration and development of natural resource properties. The Company was initially incorporated in the Province of British Columbia and through 1996 operated under the name of Rich Coast Resources Ltd. Effective February 25, 1997 the Company was reincorporated in Delaware under the name Rich Coast Inc.

In 1992, the Company began activities in the environmental industry. Pursuant to an agreement dated August 31, 1992, the Company, through its wholly-owned subsidiary Rich Coast Resources Inc. ("RCRI"), a Michigan corporation, formed "Waste Reduction Systems" ("WRS"), a general partnership under the Michigan Uniform Partnership Act, together with Integrated Waste Systems, Inc. ("IWS") of Bloomfield Hills, Michigan and The Powers Fagan Group, Inc. ("P & F") of East Lansing, Michigan.

The purpose of the partnership was to design, develop, construct and operate a sludge processing system and/or bulk distillation and fractionalization system for waste processing. On July 9, 1993, Waste Reduction Systems commenced commercial operation of its Dearborn, Michigan plant. The plant was designed to treat non-hazardous industrial sludge produced by the many industrial plants located in Michigan and nearby states.

Pursuant to an Agreement of Merger, the Company acquired WRS's operations by merger of two of its partners, IWS and P & F, into its third partner, RCRI (the "Merger"), in a transaction intended to qualify as a tax-free reorganization. The Merger was effective as of December 26, 1995, the date on which the Certificate of Merger was accepted by the Michigan Department of Commerce. For accounting and certain other purposes, the Merger was effective as of October 31, 1995.

In connection with the Merger, three of the six directors resigned from the Company's Board of Directors effective January 15, 1996. Robert W. Truxell and James P. Fagan, principals of IWS and P & F respectively, were elected as directors and officers of the Company. See "Management."

Following the Merger, the Company's principal operations have been conducted through RCRI and its activities and property interests in the natural resource industry have been eliminated.

On January 16, 1996, the Company acquired a new plant and processing facility located in Dearborn, Michigan from Mobil Oil Corporation (the "Wyoming Terminal Facility"). This acquisition increased the Company's oil processing capacity by approximately ten times. As part of this acquisition the Company acquired more than nine million gallons of tank capacity which, when combined with the increased processing capacity, will allow the Company to pursue much larger contracts. The Company also acquired a 17-mile product pipeline from the facility to the Detroit River, which gives the Company access to the St. Lawrence Seaway and the Great Lakes Waterway System. This will allow the Company to ship and receive product from waste generators and customers throughout the world. To fund the acquisition the Company completed a $2.0 million senior secured debt financing with a private investor. The five-year financing bears interest at 10%, may be prepaid at any time without penalty, and is secured by the Wyoming Terminal Facility.

Effective January 1, 1997 James P. Fagan was appointed as President and Chief Executive Officer replacing Robert W. Truxell as Chief Executive Officer. Mr. Truxell remains as Chairman of the Board of Directors.

During Rich Coast's fiscal year ended April 30, 1998, $696,894.42 was received from a private placement of 10% eighteen month convertible promissory notes. Resultant funds were used to start facilitation of the new Wyoming Terminal Facility and were largely responsible for construction of the Company's new biological treatment system.

In August 1997 Randall Pow resigned as a director of the Company. Recognizing a need to strengthen its Board membership while filling the newly-created vacancy, Rich Coast announced the appointment of Mr. George Nassos to its Board of Directors on August 7, 1997. With his extensive background in the environmental industry including over eleven years with the Chemical Waste Management subsidiary of Waste Management, Inc., Mr. Nassos is capable of expanding the Company's business base through his many industry contacts and of developing strategies to grow the Company more rapidly.

Since November 3, 1997 when the new one million gallon biological treatment system went into operation at the Company's Wyoming Terminal Facility, the Company has achieved significant gains in revenue. In the case of one customer, revenue of $166,000 was realized from that single customer in January 1998, the first month of bio plant operation. Revenue from the quarter ended April 30, 1998 and for the year ended April 30, 1998 totaled $528,420 and $2,547,083, respectively. These amounts are lower than expected due to a shut down of part of the Company's operations to repair damage from a fire on December 15, 1997 at its Ford Road facility. Management believes that the fire-damaged building has been repaired to better than its previous condition and this improvement is reflected in an increased asking price for the Ford Road property which is listed for sale. The Company intends to consolidate at the Wyoming Terminal Facility. The Company has recovered $435,290 via its insurance settlement.

<u>Ford Road Facility</u> The total site area at the Ford Road location comprises approximately 3.5 acres and includes a 23,000 square foot steel and brick building in which the treatment plant is located. The site has ample parking and room for tanker trucks to maneuver. WRS entered into a 7 year land contract in 1993 for the building at a rate of $4,754 per month and a renewable 7 year lease which

will cause the land to be titled to WRS for $1.00, either after satisfactory clean-up by others or after 91 years. Non-hazardous wastes in the form of sludges, oily wastes, drum and pallet loads, waste waters and leachates are treated at Ford Road for disposal to the Detroit sewerage system, the Browning-Ferris Industries landfill at Arbor Hills, Michigan or as a recycled oil product. Capacity at the Ford Road site presently is limited due to incoming truck traffic. In the future, oily wastes will be diverted to the Wyoming Terminal Facility, as will be much of the waste waters and leachate. Ford Road will expand its capability (which involves only modest physical changes) to process wastes that require shredding and for wastes that require a pit or mixing floor for processing prior to disposal. When the Company consolidates its operations at the Wyoming Terminal Facility, the Company will be able to continue its expanded capability at that site.

<u>Rich Coast Inc. Pipeline.</u> The 17 mile long pipeline from Rich Coast's Wyoming Avenue site to the Wyoming Terminal Facility was purchased knowing that some repairs probably would be required. The price of the pipeline sale to Rich Coast was reduced as consideration for repairs to be paid for by Rich Coast Inc. Before the pipeline is repaired, Rich Coast must be assured that a viable terminaling agreement can be negotiated with Mobil Oil Corp. An agreement exists at present between Mobil and Rich Coast Resources, Inc. which was and still is a corporation domiciled in Michigan and controlled by Rich Coast Inc.; however, the existing terminaling agreement contains terms that are unacceptable to Rich Coast and would make utilization of the pipeline uneconomical, and the Company and Mobil are in litigation regarding the agreement. See "Legal Proceedings." When and if an acceptable terminaling agreement can be reached, the Company still will require a long term contract with several large volume users to justify barge shipments throughout the Great Lakes Region and the St. Lawrence Seaway. When the Wyoming Avenue facility is fully on stream, it is anticipated that pipeline repairs and an acceptable terminaling agreement will be pursued. The pipeline is currently not operational. The Company cannot utilize the pipeline until it is repaired. Once repaired, the pipeline and terminaling facility will not be used until sufficient oil processing and customers are in place to justify the year round costs.

<u>Wyoming Terminal Facility.</u> When the Wyoming Terminal Facility came on the market, Rich Coast was faced with an unprecedented opportunity but without adequate funding to acquire and facilitate the property. Realizing that to replicate the Wyoming Terminal Facility at a later date would be prohibitively expensive and time consuming, Rich Coast borrowed $2,000,000 and acquired Mobil's 17 acres in the heart of the automobile industry. This acreage included 12 storage buildings, six tanker truck loading and unloading racks which connect

to all tanks, a one million gallon per day sewer permit, a supportive community which allows industrial zoning and expansion permits plus the pipeline to the Detroit River which gives Rich Coast the opportunity to service the entire east coast of the United States. Additionally, the Wyoming Terminal Facility can accommodate all of the various types of waste treatment and disposal being conducted at the Ford Road facility, thereby allowing the Company to sell its Ford Road building and consolidate all operations at the Wyoming Terminal Facility.

Rich Coast's 17 acre Wyoming Avenue site has had 58 borings analyzed by the State of Michigan and has received a "covenant not to be sued" by the State of Michigan. This environmental status is extremely attractive to all major automotive industry suppliers in the area, inasmuch as they avoid liability for any pollution that existed at the time borings were made. Rich Coast has successfully

passed customer audits conducted recently that allow the Company to compete for the oily wastes coming out of the auto industry. The volume of potential business makes an increase in oily waste processing capability necessary and attainment of oily waste processing capability is a top priority and objective for Rich Coast. The biological treatment system is an excellent complementary system to the waste oil treatment in that the oily water separated during the treatment process can go directly to the biological treatment system and then to the sewer with assurances that even the more stringent discharge regulations now being considered by the EPA can be met. Rich Coast envisions a worldwide demand for its combined system for oily wastes.

When Rich Coast completes its conversion of the Wyoming Terminal Facility to a non-hazardous waste disposal and oil recycling facility, it will become a uniquely competitive and high quality oil recycling facility. With its proprietary processes and a facility that would be extremely expensive and time consuming to replicate, Rich Coast fully expects to dominate its market area when this conversion is complete.

Liquid waste disposal operations are gradually being transferred from the Company's Ford Road facility to its Wyoming Terminal Facility. Currently about 50% (or $100,000) of monthly revenues are generated by operations at the Wyoming Terminal Facility. The air sparged hydrocyclone ("ASH") system for separation of liquid wastes is just getting into operation at the Wyoming Terminal Facility and by the end of this fiscal year monthly revenues are expected to increase by another $100,000. Once the Ford Road facility is sold, all operations will be consolidated at the Wyoming Terminal Facility. Adequate space exists at the Wyoming site for additional processing equipment to meet capacity demands expected over the next several years.

The waste treatment business in the Detroit, Michigan area is normally handled by blanket contracts between the large automotive companies and their Tier I suppliers (the largest of the waste disposal companies). These contracts consist of pricing to handle a large variety of waste streams. Rich Coast submits pricing for specific waste streams included in the blanket contracts, but written contracts are seldom awarded to Tier II companies such as Rich Coast. The Company has no written contracts for any of its sales. Management does not believe that the loss of any one customer would have a material adverse effect on the Company.

In the past two fiscal years the Company estimates it has spent $100,000 per year on Research and Development. Development work related to separation of various liquid phases and light solids has been done on the ASH system at the Wyoming Terminal Facility. Separation of phenols, fats, oils, greases and other impurities from water base waste streams has been demonstrated in development work that is now incorporated in a commercial-sized installation at the Wyoming Terminal Facility. The Company is continuing to develop improvements in the ASH system.

The Company currently has 25 full time employees and no part time employees.

Item 2. Description of Property

See discussion above under "Description of Business General Development of
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Business."

Item 3. Legal Proceedings

On or about December 29, 1997 the Company was served with a complaint filed against it in U.S. District Court for the Eastern District of Michigan by Mobil Oil Corporation. The Complaint alleges breach of contract by the Company in connection with a Terminaling Agreement dated May 18, 1995 relating to through-put fees at Mobil's Woodhaven, Michigan facility. The dispute under the

Terminaling Agreement will not affect the Company's purchase of the Mobil terminal which occurred January 15, 1996, and should not be confused with the Mobil terminal. Mobil claims damages through December 1, 1997 in the amount of at least $225,556.80, representing unpaid monthly fees, and claims that it will continue to incur damages in the amount of unpaid monthly fees under the Terminaling Agreement. Management expects the Terminaling Agreement to be renegotiated and the claims to be settled prior to trial. Rich Coast and Mobil Oil representatives met as recently as October 1998 to resolve issues related to the Company's obligations under the Terminaling Agreement. Proposals to provide Wyoming Terminal Facility usage or waste services to Mobil in lieu of or in conjunction with cash payments are being discussed by the two companies.

On December 30, 1997 an unrelated complaint was filed against the Company and two of its directors personally in U.S. District Court for the Eastern District of Michigan by Comer Holdings Ltd., an Irish corporation ("Comer"), in which Comer claims, among other things, breach of contract relating to an alleged loan made to the Company in 1994. Comer claims damages in an amount in excess of $75,000. The Company, in its response filed on January 20, 1998, denied all liability and proffered several defenses. Management expects that the suit will be dismissed or settled prior to trial.

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

During the fourth quarter of the fiscal year ended April 30, 1998, four proposals were submitted to a vote of Shareholders. The shareholder meeting, which was an annual meeting, was held March 31, 1998, in Denver, Colorado. 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 plurality of the voting shares represented at the meeting was necessary to elect the nominees for director. The votes were cast as follows:

<TABLE>
<CAPTION>

	For	% of Shares Represented	Withhold Authority	% of Shares Represented
<S>	<C>	<C>	<C>	<C>
Robert W. Truxell	14,120,342	96.4%	217,980	1.5%
James P. Fagan	14,330,042	97.9%	8,280	.06%
Thornton J. Donaldson	14,263,972	97.4%	74,350	.5%

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>	<C>
Geoffrey Hornby	14,263,972	97.4%	74,350	.5%
George P. Nassos	14,330,572	97.9%	7,750	.05%

</TABLE>

PROPOSAL NUMBER TWO

The affirmative vote of a majority of the Company's outstanding shares is necessary to amend the Company's Certificate of Incorporation to effect a reverse split of the Company's Common Stock. The votes were cast as follows:

<TABLE>
<CAPTION>

FOR	% of shares outstanding	AGAINST	% of shares outstanding	ABSTAIN	% of shares outstanding
<S>	<C>	<C>	<C>	<C>	<C>
13,058,391	73.1%	1,420,050	7.9%	164,577	.9%

</TABLE>

PROPOSAL NUMBER THREE

The affirmative vote of a majority of the voting shares represented at the meeting is necessary to approve the 1997 Stock Option and Stock Bonus Plan. The votes were cast as follows:

<TABLE>
<CAPTION>

FOR	% of shares represented	AGAINST	% of shares represented	ABSTAIN	% of shares represented
<S>	<C>	<C>	<C>	<C>	<C>
7,694,074	52.5%	1,526,538	10.4%	330,297	2.3%

</TABLE>

PROPOSAL NUMBER FOUR

The affirmative vote of a majority of the Company's outstanding shares was necessary to approve the proposal to change the state of incorporation from Delaware to Nevada. The votes were cast as follows:

<TABLE>
<CAPTION>

FOR	% of shares outstanding	AGAINST	% of shares outstanding	ABSTAIN	% of shares outstanding
<S>	<C>	<C>	<C>	<C>	<C>
9,161,568	51.3%	543,038	3.0%	235,103	1.3%

</TABLE>

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

Recent Sales of Unregistered Securities.
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24 During the fiscal year ended April 30, 1998, the Company had the following issuances of its Common Stock which were not registered under the Securities Act:

On June 11, 1997 the Company issued 100,000 shares for forbearance from exercising certain rights and remedies by the holder of a 10% Senior Secured Note in the principal amount of $2,000,000. The shares were issued in reliance on Section 4(2) of the Securities Act and Rule 506 promulgated thereunder because it was an offer to only one purchaser who was an accredited investor.

On January 26, 1998, February 20, 1998 and April 23, 1998, the Company issued an aggregate of 111,768 shares as accrued interest for the calendar quarters ended September 30, 1997, December 31, 1997 and March 31, 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 interest payments was made at the time the 10% Notes were purchased.

On October 15, 1997, the Company sold 521,198 shares of its Common Stock in cancellation of a $100,000 loan plus accrued interest of $4,239.58. The shares were issued in an offshore transaction intended to be exempt from registration under Regulation S promulgated under the Securities Act.

On December 5, 1997, the Company issued 200,000 shares at $.25 per share. No commissions were paid. These shares were issued in an offshore transaction intended to be exempt from registration under Regulation S promulgated under the Securities Act.

On April 9, 1998 (100,000 shares) April 15, 1998 (100,000 shares) and April 16, 1998 (130,000 shares) warrants were exercised at $.25 per share and an aggregate of 330,000 shares were issued, all in reliance on Section 4(2) and Rule 506.

The following share issuances were for services rendered to the Company, and the shares were issued in reliance on Section 4(2):

Share Amount	Effective Date
150,000	05/22/97
154,200	05/22/97
10,000	08/06/97
50,000	08/07/97
50,000	09/03/97
50,000	10/02/97
50,000	12/16/97
307,692	02/02/98

Market Information. The Common Stock of the Company is listed on the NASDAQ Small Cap Market under the trading symbol "KRHC". The following table sets forth the high and low bid prices of the Company's Common Stock as reported by NASDAQ during the periods indicated. All amounts reflect prices adjusted for the one-for-four reverse split which was effective June 19, 1998.

NASDAQ Small Cap Market

	Calendar	High Bid	$ Low Bid $
1998	April 1 - June 30	3.88	1.44
	January 1 - March 31	1.38	3.88
1997	October 1 December 31	2.00	.74
	July 1 September 30	2.75	.75
	April 1 June 30	1.36	1.00
	January 1 March 31	1.76	.80
1996	October 1 December 31	2.88	1.24
	July 1 September 30	2.36	3.00

The closing bid price of the Common Stock on NASDAQ on July 14, 1998, was $1.59.

Holders. As of July 14, 1998, there were approximately 3,700 holders of the Company's Common Stock, and the number of shares issued and outstanding was 4,876,645.

Dividends. During the two most recent fiscal years, the Company has not declared or paid cash or other dividends on its Common Stock. The Company does not expect to pay any dividends in the near future. The Company is prohibited from paying dividends on its Common Stock while certain long term indebtedness remains outstanding.

Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company entered into a new development stage when Rich Coast Resources, Ltd., Integrated Waste Systems, and the Powers Fagan Group merged with an effective financial start date of October 31, 1995. At that time the main business focus became treatment of non-hazardous wastes. All remaining mining, gas and oil related businesses were disposed of in fiscal year 1997 without any gain or loss to the Company.

As a result of the January 16, 1996 acquisition of the Mobil Oil Corporation terminal in Dearborn, Michigan, and redomiciling of the Company from British Columbia, Canada, to Delaware, U.S.A. on February 25, 1997, the Company reorganized into the parent company, Rich Coast Inc. and four subsidiary corporations identified as:

Rich Coast Resources, Inc.
Rich Coast Oil, Inc.
Waste Reduction Systems, Inc.
Rich Coast Pipeline, Inc.

On June 19, 1998, the Company reverse split its Common Stock one-for-four. Effective July 14, 1998 the Company incorporated in the State of Nevada.

Fiscal Years Ended April 30, 1998 and 1997

Revenues and Results of Operations

Rich Coast's revenue for its fourth quarter ending April 30, 1998 is $528,420 and brings 1998 fiscal year revenue to $2,547,083. This is a 34.3% increase from fiscal year 1997 and a 46.3% increase from 1996. Production capacity for liquid wastes was increased at the Wyoming Terminal Facility by completion of the biological treatment system. Revenue gains from this capacity were partially offset due to the loss of sludge pit operations during down time caused by the fire at the Ford Road facility. Plans now are to sell the Ford Road site and to replace its sludge pit with a much more efficient pit system at the Wyoming Terminal Facility. The new pit will permit dumping from the two sides and will have a conveyor system to continuously remove solids from the pit, thus eliminating down time necessitated by digging out the pit. Fourth quarter results were up only 9% from the year earlier period due to the adverse impact from a fire which shut down a major portion of operations from December 15, 1997 through most of February 1998 and impacted both third and fourth quarters negatively. Insurance covered all of the $364,830 in losses due to building and equipment damage and also provided $70,460 of business loss. Ford Road processes for drums and liquids were transferred to temporary facilities at the Wyoming Terminal Facility. Sludge disposal operations that required use of the Ford Road dumping pit were suspended for two months. All operations at the Ford Road facility were resumed February 16, 1998. A loss for the fourth quarter of $678,813 significantly contributes to the loss for fiscal year ended 1998 of $1,373,921. The fourth quarter was the first (and only) quarter in which the $198,626 interest for beneficial conversion features was booked because the Company was catching up for not booking amounts in prior quarters. Also, the fourth quarter includes a compensation expense of $81,000 attributable to options received by an officer and director with an exercise price at a 20% discount to market. However, the loss of $.08 per share has been reduced from $.14 per share in fiscal year ended 1996 and $.13 per share in fiscal year ended 1997. The fire damaged building has been repaired to better than its previous condition. The Company has entered into a sales contract for the Ford Road facility which would result in net proceeds to the Company of $250,000. However, the closing is contingent on the purchaser obtaining a federal loan guarantee.

Business volume is being restored rapidly. Revenues for 1999 fiscal year are projected to be $2,340,000, which again reflect some continuing fire related loss of business. These revenues are spread quite evenly throughout the year because when production operations of waste generators are shut down, maintenance work is performed which also generates wastes. The fiscal year of 1998 net loss of $1,373,921 was expected; however, improving business and better margins are forecast to generate a break-even status for Rich Coast before the end of the fiscal year 1999. The Company anticipates needing additional funds from private placements to complete "use of proceeds" plans on a timely basis, which will allow implementation of additional and more efficient effluent treatment systems. The ASH liquid waste flotation system being installed at the Wyoming Terminal Facility and used in conjunction with the Company's tanks, filters and biological treatment system can be run at 200 gallons per minute. A new customer in the automotive industry plus a new Canadian source of oily water are now bringing wastes into the Wyoming Terminal Facility. Management expects the Company's business volume to approach 1.0 million gallons per month by April 30, 1999. Waste disposal service charge and recycled oil sales are estimated to average $0.14 per gallon or an increase in monthly revenues of $140,000, thus bringing total monthly revenues to $340,000. A one shift operation of the waste flotation system will require two people and can process the estimated 12.0 million gallons per year. The Company expects to produce net income of $70,000 per month by the end of fiscal 1999.

SUMMARY

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED	
<S>	<C> 4/30/98	<C> 4/30/97
4th QUARTER REVENUE (ending April 30)	$ 528,420	$ 483,366
Net loss for Quarter	$ 678,813	$ 244,760
REVENUES FOR FULL FISCAL YEAR	$2,547,083	$1,897,155
Net Loss for Year	$1,373,921	$1,928,329

</TABLE>

As stated previously, Rich Coast recently passed customer audits that allow the Company to compete for the oily wastes coming out of the auto industry. These audits are performed by Tier I waste disposal companies that contract for the majority of the automotive industry's wastes. Liquid wastes, such as the waste handled by Rich Coast, is sublet by the Tier I companies and winning that business for Rich Coast is dependent on audit approval by Tier I companies of the Rich Coast facility. Audits of waste treatment facilities are focused on safety and environmental protection, processing effectiveness and capacity, plus efficient handling of truck traffic. The Company's facilities compare well to the competition but audit discrepancies do occur and must be corrected before audit approval can be obtained. Recent audit approvals by Tier I companies are the bases for financial forecasts that more than double current monthly revenues. Extensive test borings from the Wyoming Terminal Facility have been analyzed to establish a baseline of soil conditions and, as a result, Michigan's Department of Environmental Quality has granted Rich Coast a covenant not to be sued for pre-existing soil conditions. This covenant has proven to be invaluable when large corporations audit the Wyoming Terminal Facility. By passing an audit for one Tier I supplier, the Company is qualified to supply services to all of that Tier I supplier's customers. Each Tier I supplier requires its own audit. If the Company would fail an audit, then the Tier I company would

itemize the discrepancies and, once corrected, a follow up audit would be done. The continued failure to pass audits would mean the Company would not be qualified to service that Tier I company's customers.

Rich Coast currently has three long term debt obligations including the installment land contract on the Ford Road building. A principal balance of approximately $120,000 exists on the Ford Road facility. The Company has received an offer for the facility that will result in net proceeds to the Company of $250,000. However, the closing for the sale of that property is contingent on the purchaser obtaining a federal loan guarantee. The closing on the sale of this facility has been extended to March 21, 1999.

The second long term obligation is a $2,000,000 Senior Secured Note due January 10, 2001 which was used to purchase the Company's 17 acre Wyoming Terminal Facility. Interest only payments are being made through 1999 with full loan amortization to occur in the calendar year 2000. This obligation is secured by the Wyoming Terminal Facility.

The third long term obligation is in the form of an aggregate of $1,500,000 8% Convertible Debentures, convertible over five years at the option of the holder into shares of Common Stock of Rich Coast. These Convertible Debentures are secured by a second position on the Company's assets, including the Wyoming Terminal Facility.

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 biological treatment system, the continuing 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 biological 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, unexpected costs, and failure to capitalize upon access to new clientele.

Salaries and Wages/Consulting Services

Salaries and wage increases of $269,313 from fiscal 1997 were more than offset by reductions in consulting fees amounting to $664,730. In 1996 share issuances were authorized to Robert Truxell and James Fagan in recognition of services provided to the Company. In 1997 since these shares were never issued to Messrs. Truxell and Fagan, the share issuances were cancelled. Messrs. Truxell and Fagan received options and warrants. Mr. Truxell received options to purchase 258,087 shares exercisable for ten years at $.80 per share and warrants to purchase 140,775 shares exercisable for

five years at $.80 per share. Mr. Fagan received options to purchase 129,041 shares for ten years at $1.00 per share and warrants to purchase 70,386 shares for five years at $.80 per share. Also, consulting fees amounted to $816,953 in 1997. From 1996 to 1998 salaries and wages increased by $417,248, and consulting and management fees increased by $99,025.

Audit, Accounting and Legal

Accounting and legal expenses decreased by $83,285 from 1997 to 1998 and were similar to fiscal 1996 costs. Fiscal 1997 expenses were high due to the redomestication of the Company from British Columbia to Delaware.

Interest and Bank Charges

Interest expense in 1998 was $303,648 compared to $213,912 for the prior year, due to the purchase of the Wyoming Terminal Facility. In addition, the Company reported $198,626 of interest related to the beneficial conversion feature on its 10% 18-month convertible promissory notes. This conversion feature is accounted for as an interest charge and amortized over the period from the date of issue through the date the debt is first convertible.

Liquidity and Capital Resources

The Company has been in a negative cash flow condition and will continue to be until additional facilities can be financed, installed and placed in operation at its Wyoming Terminal Facility. The Company expects the additional facilities to be in place by late 1998, resulting in positive cash flow by the end of fiscal 1999. Deficits have been covered by private placements, issuance of convertible debentures, factoring of receivables and by an increase in accounts payable.

Subsequent to its fiscal year end, the Company received funds from the sale of convertible debentures with a face value of $1,500,000 and which accrue interest at 10%. Proceeds from that financing have funded expansion comprehended in the Company's business plan which forecasts positive net income on a monthly basis by April 30, 1999. The Company has awarded a contract to a construction firm to design and erect a building to accommodate additional oily waste processing equipment. A separate contract was awarded to another construction firm to design and build a heavy duty conveyor to remove solids from the pit dumping operation, Both of these improvements will occur at the Wyoming Terminal Facility, and the estimated cost for each project is $280,000 and $100,000, respectively. The Company expects to pay these costs from its revenues. However, these projects have been put on hold. Any additional funds from private placements will be dedicated to expansion of the biological treatment system and two new oil process systems. Resultant revenues are being depended upon to turn the Company profitable in late 1998.

The Company's breakeven revenues are $270,000 per month. An offer to purchase the Company's Ford Road facility has been accepted, which would net $250,000 to the Company. A monthly revenue increase of approximately $70,000 will be required to reach breakeven and this increase is expected to be achieved by the new customers who have informed Rich Coast that they intend to utilize the Company's services. Rich Coast also has several slaughterhouse and paper pulp

companies that are extremely interested in Rich Coast's proprietary fats, oils and grease removal system. With even modest success, Rich Coast should attain a monthly breakeven revenue rate by the end of its fiscal year 1999 and still have cash on hand even if the Ford Road facility is not sold.

In the longer term the Company will pursue additional business by installing waste stream treatment systems at the customer's sites with a focus on meat processors and the paper/pulp industry, and should be able to capitalize on near term success expected in slaughterhouse operations.

Impact of Environmental Regulations and Environmental Risks.

As environmental regulations become more stringent they tend to generate more business for Rich Coast. For example, as sewer discharge limits are reduced more companies are compelled to either install additional waste treatment systems or to transport their wastes to companies like Rich Coast for treatment and disposal. Rich Coast has a discharge permit from the Detroit Sewerage and Water Department ("DSWD"). Rich Coast's discharges to the sewer are randomly monitored by both the DSWD and Rich Coast. Material that is not discharged to the sewer is either trucked to a non-hazardous waste landfill or is sold as recycled product such as oil. The risk of pollution occurring at Rich Coast's treatment sites are extremely low and, if any spillage or leakage did occur, it would be a non-hazardous waste and would probably occur in a contained area. Rich Coast has carried $1.0 million of pollution insurance since operations started in 1993 and has not filed a single claim. Insurance is one recurring cost item of approximately $38,000 per year (which has not increased for the last three years) in Rich Coast's pollution protection program and is required by its customers. Approximately $40,000 per year is spent on salaries for environmental compliance, and an estimated $10,000 per year is spent in operating costs attributable to environmental compliance. Rich Coast must carry the $1.0 million insurance coverage even though it believes its risks are low. If a spill did occur, it would likely occur very near processes designed to clean up such material. Management believes a spill cost clean up of $1.0 million would be highly unlikely.

Item 7. Financial Statements and Supplementary Data

See Financial Statements and Supplementary Data following the signature page of this Form 10-KSB.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act

The names, ages, municipalities of residence, positions with the Registrant, and principal occupations of the directors and executive officers of the Registrant as of July 14, 1998 are as follows:

Name, Age and Municipality Residence	Office	Principal Occupation
Robert W. Truxell Bloomfield Hills, MI Age: 73	Chairman of the Corporation and Director since January 1996 and Secretary since August 1997	Chairman and Chief Executive Officer of Integrated Waste Systems, 1992-1995; President of Microcel, Inc., 1990-1992; Vice-President of General Dynamics, 1983-1990
James P. Fagan Okemos, Michigan Age: 47	President and Director since January 1996; Chief Executive Officer since January 1997	President and Chief Operating Okemos, Officer of Waste Reduction Systems 1992-1995; Vice-President of The Powers Fagan Group, Inc.1990-1996
Thornton J. Donaldson West Vancouver, B.C. Age: 68	Director since June 1984; Past President of the Company (June 1984 - January 1996)	Self-employed financial and mining consultant; President of United Corporate Advisors Ltd. and Director of BYG Natural Resources Inc. (TSE listed)
Geoffrey Hornby Vancouver, B.C. Age: 71	Director since June 1984	Geological Engineer 10 years experience in the mining field and 23 years experience in the forest industry
George P. Nassos Chicago, IL Age: 58	Director since August 1997	Director-Environmental Mgt. Program, Illinois Institute of Technology
Michael M. Grujicich Dearborn, MI Age: 55	Chief Financial Officer and Treasurer since August 1996	Director Sales Canada - WRS 1993-1996, Director MRPIT, General Dynamics Land Systems Division 1983-1993, Divisional Controller - Rockwell International 1981-1983

The following are members of the Company's Audit Committee:

Thornton J. Donaldson
Geoffrey Hornby
Ronald Waltz, Comptroller, Rich Coast Inc.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16 (a) of the Securities Exchange Act of 1934 requires the Company's directors and certain of its officers to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission and NASDAQ. Executive officers and directors are required by SEC regulations to furnish the Company with copies of all Section 16(A) forms they file. Based solely on a review of the copies of such forms furnished to the Company and written representations from the Company's executive officers and directors, the Company notes one report on Form 3 was filed late by George Nassos, a director of the Company, and that all officers and directors of the Company failed to file a report on Form 5 for the fiscal year ended April 30, 1997.

ITEM 10. EXECUTIVE COMPENSATION

COMPENSATION AND OTHER BENEFITS OF EXECUTIVE OFFICERS

The following table sets out the compensation received for the fiscal years ended April 30, 1996, 1997, and 1998 in respect to each of the individuals who were the Company's Chief Executive Officer at any time during the last fiscal year and the Company's other four most highly compensated executive officers whose total salary and bonus exceeded $100,000 (the "Named Executive Officers").

<TABLE>
<CAPTION>

Summary Compensation Table

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Other Annual Compensation ($) (e)	Securities(1) Under Option/ SAR's granted (#) (f)	Restricted Shares or Restricted Share Units ($) (g)	LTIP Payouts ($) (h)	All other Compensation ($) (i)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Robert W. Truxell/ Chairman								
	1998	117,851	-0-	-0-	755,662	-0-	-0-	-0-
	1997	113,458	-0-	-0-	-0-	-0-	-0-	-0-
	1996	74,917	-0-	-0-	-0-	-0-	-0-	-0-
James P. Fagan/ CEO and President								
	1998	144,316	-0-	-0-	556,227	-0-	-0-	-0-
	1997	124,382	-0-	-0-	-0-	-0-	-0-	-0-
	1996	105,290	-0-	-0-	-0-	-0-	-0-	-0-

</TABLE>

(1) All share amounts have been adjusted to reflect the reverse split effective June 19, 1998.

Agreements with Management

As part of the Agreement of Merger dated October 31, 1995, the Company entered into an Employment Contract with Robert W. Truxell pursuant to which he is compensated for serving as the Company's Chief Executive Officer and Chairman of the Board of Directors commencing in January 1996. Under the contract, Mr. Truxell received a salary of $150,000 per year until January 1, 1997 at which time he resigned as Chief Executive Officer but agreed to continue as Chairman of the Board at a salary of $125,000 per year for an additional five years.

As part of the Agreement of Merger dated October 31, 1995, the Company entered into an Employment Contract with James P. Fagan pursuant to which he was compensated for serving as the Company's President and Chief Operating Officer commencing in January 1996. Under the contract, Mr. Fagan received a salary of $125,000 per year until January 1, 1997 at which time he became the Company's President and Chief Executive Officer.

Pursuant to Mr. Truxell's Employment Contract, during fiscal 1996 the Board of

Directors of the Company authorized the issuance of 360,399 common shares under the Company's 1995 Incentive Compensation Plan (the "1995 Plan"), subject to certain conditions, to Robert W. Truxell and his wife, Linda C. Truxell, for past services rendered by Mr. and Mrs. Truxell on behalf of Waste Reduction Systems, Inc. prior to the Company's merger with WRS effective October 31, 1995. Subsequent to April 30, 1996, the Board of Directors authorized the issuance of 180,200 common shares under the 1995 Plan to James P. Fagan as compensation for his services in connection with the Company's acquisition of the Mobil Facility from Mobil Oil Corporation. Since the shares for both Mr. Fagan and the Truxells were never issued, on July 30, 1997 the Board rescinded the grant of shares. Instead, options to acquire 258,087 shares were granted to the Truxells, exercisable at $.80 per share for ten years under the 1997 Stock Option and Stock Bonus Plan. In addition, the Truxells received five year warrants exercisable at $.80 to purchase 140,775 shares. Mr. Fagan received options to acquire 129,041 shares exercisable for ten years at $1.00 per share, plus a five year warrant exercisable at $.80 per share to purchase 70,386 shares.

Option/Stock Appreciation Rights ("SAR") Grants during the most recently completed Fiscal Year

The following table sets out the stock options granted by the Company during the most recently completed fiscal year to the Named Executive Officers of the Company. The following amounts include options that were granted prior to the most recent fiscal year but were re-priced during the year.

<TABLE>
<CAPTION>

Option/SAR Grants in Last Fiscal Year
Individual Grants

Name	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Market Price on Date of Grant	Expiration Date
<S>	<C>	<C>	<C>	<C>	<C>
Robert W. Truxell	258,087	16.45%	$ .80	$1.00	07/30/07
Robert W. Truxell	140,775	8.97%	.80	1.00	07/30/02
Robert W. Truxell	100,000	6.37%	1.00	1.25	01/15/06
Robert W. Truxell	25,000	1.59%	1.00	1.25	05/09/06
Robert W. Truxell	48,675	3.10%	.80	1.00	05/09/06
Robert W. Truxell	50,000	3.19%	.72	.90	07/30/07
Robert W. Truxell	58,125	3.70%	.80	1.00	07/30/07
Robert W. Truxell	75,000	4.78%	.72	.90	09/08/07
James P. Fagan	129,041	8.22%	1.00	1.00	07/30/07
James P. Fagan	70,386	4.48%	.80	1.00	07/30/02
James P. Fagan	100,000	6.37%	1.00	1.00	01/15/06
James P. Fagan	25,000	1.59%	1.00	1.00	05/09/06
James P. Fagan	58,125	3.70%	1.00	1.00	05/09/06
James P. Fagan	125,000	7.96%	.88	.88	09/08/07
James P. Fagan	48,675	3.10%	1.00	1.00	07/20/07

</TABLE>

Aggregated Option/SAR Exercises in Last Financial Year and Fiscal Year-End Option/SAR Values

The following table sets out all Option/SAR exercises by the Named Executive Officers during the most recently completed fiscal year and the Option/SAR values for such persons as of the end of the most recently completed fiscal year.

<TABLE>
<CAPTION>

Aggregated Option/SAR Exercises in Last Fiscal Year and FY-End Option/SAR Values

	Number of Securities Underlying Unexercised Options/SARs at FY-End (#)	Value of Unexercised In-the-Money Options/SARs at FY-End ($)

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Exercisable/ Unexercisable	Exercisable/ Unexercisable
Robert W. Truxell	-0-	-0-	680,662 all exercisable	$1,561,539 all exercisable
James P. Fagan	-0-	-0-	556,227 all exercisable	$1,205,429 all exercisable

REPRICING OF OPTIONS

The Company's Board of Directors approved a reduction in option and warrant exercise prices to reflect market values in June and July 1997. This was done in lieu of unaffordable competitive salaries and benefits to provide incentive and to retain the services of management.

COMPENSATION OF DIRECTORS

The following table summarizes options granted during the most recently completed fiscal year to the directors of the Company (excluding the Named Executive Officers). All amounts have been adjusted to reflect the reverse split.

Name of Director and Officer at Fiscal Year End	Securities Under Options Granted (#)	Exercise or Base Price ($/Securities)	Market Value of Securities Underlying Options on the Date of Grant ($/Security)	Date of Grant	Expiration Date
Randall Pow	12,500	$.72	$.88	9/8/97	9/8/2002
Thornton Donaldson	12,500	$.72	$.88	9/8/97	9/8/2002
Geoffrey Hornby	12,500	$.72	$.88	9/8/97	9/8/2002
George P. Nassos	50,000	$.72	$.88	9/8/97	9/8/2002

No pension or retirement benefit plan has been instituted by the Company and none is proposed at this time and there is no arrangement for compensation with respect to termination of the directors in the event of change of control of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

To the knowledge of the Management of the Company the following tables set forth the beneficial ownership of the Company's Common Stock as of June 30, 1998 by each Director and each Executive Officer named in the Summary Compensation Table, and by all Directors and Executive Officers as a group. (All share amounts have been adjusted to reflect the reverse split effective June 19, 1998.)

Name of Beneficial Owner/ Name of Director/ Identity of Group	Shares Beneficially Owned	Percent Of Class

<S> <C> <C>

ROBERT W. TRUXELL Chairman/Director/Secretary	1,026,462(1)	18.47%
JAMES P. FAGAN President/CEO/Director	633,327(2)	11.66%
THORNTON J. DONALDSON Director	70,964(3)	1.44%
GEOFFREY HORNBY Director	13,548(4)	*
GEORGE P. NASSOS Director	50,000(5)	1.01%
ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP	1,794,301(6)	28.75%

</TABLE>

* Less than one percent.

(1) Includes: (i) 345,800 shares held jointly; (ii) currently exercisable options and warrants to purchase 50,000 shares at $0.72 per share; (iii) currently exercisable options to purchase 505,662 shares at $0.80 per share; and (iv) currently exercisable options to purchase 125,000 common shares at $1.00 per share.

(2) Includes currently exercisable options and warrants to purchase: (i) 70,386 shares at $0.80 per share; (ii) 125,000 shares at $0.88 per share; and (iii) 360,841 shares at $1.00 per share.

(3) Includes currently exercisable options to purchase 52,500 shares at $1.00 per share and 12,500 shares at $0.72 per share.

(4) Includes currently exercisable options to purchase 12,500 shares at $0.72 per share.

(5) Includes currently exercisable options to purchase 50,000 shares at $0.72 per share.

(6) Includes securities reflected in footnotes 1-5.

To the knowledge of the Directors and Senior Officers of the Company, as of June 30, 1998, there are no persons and/or companies who or which beneficially own, directly or indirectly, shares carrying more than 5% of the voting rights attached to all outstanding shares of the Company, other than (all share amounts have been adjusted to reflect the reverse split effective June 19, 1998):

<TABLE>
<CAPTION>

<S> <C> <C>

Name and Address of of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Robert W. and Linda C. Truxell 10200 Ford Road Dearborn, MI 48126	1,026,462(1)	18.47%
James P. Fagan 4415 Comanche Okemos, MI 48864	633,327(2)	11.66%
Alan Moore 9441 LBJ Freeway Suite 500 Dallas, TX 75243	900,000(3)	15.58%

</TABLE>

(1) Includes: (i) 345,800 shares held jointly; (ii) currently exercisable options and warrants to purchase 50,000 shares at $0.72 per share; (iii) currently exercisable options to purchase 505,662 shares at $0.80 per share; and (iv) currently exercisable options to purchase 125,000 common shares at $1.00 per share.

(2) Includes currently exercisable options and warrants to purchase: (i) 70,386 shares at $0.80 per share; (ii) 125,000 shares at $0.88 per share;

and (iii) 360,841 shares at $1.00 per share.

(3) Consists of currently exercisable warrants to purchase 900,000 shares at $1.20 per share on or before January 10, 2006.

All percentages in this section were calculated on the basis of outstanding securities plus securities deemed outstanding pursuant to Rule 13d-3(d)(1) under the United States Securities Act of 1934.

Other than the possible conversion to the Company's Common Stock of the $1,500,000 convertible debentures issued by the Company in June 1998, there are no arrangements or agreements pledging securities which could in the future result in a change of control of the Company.

Item 12. Certain Relationships and Related Transactions

None of the directors or executive officers of the Company, or any associate or affiliate of such person or company, has any material interest, direct or indirect, in any transaction during the past year or any proposed transaction which has materially affected or will affect the Company.

In 1998 130,300 shares were issued to a shareholder of the Company, William McCullagh, in satisfaction of $100,000 advanced (plus accrued interest of $4,239.58) to the Company in 1997. The shares were issued at a discount to market of 20%.

PART IV

Item 13. Financial Statements, Schedules and Exhibits and Reports on Form 8-K

(a) Financial Statements, Schedules and Exhibits:

(1) Financial Statements - April 30, 1997 and the fiscal years ended April 30, 1996 and 1997

a) Index to Financial Statements;
b) Auditor's Report to the Shareholders;
c) Comments by Auditors for U.S. Readers on Canada-U.S. Reporting Conflict;
d) Consolidated Balance Sheets;
e) Consolidated Statements of Operations;
f) Consolidated Statements of Deficit;
g) Consolidated Statements of Changes in Financial Position;
h) Notes to Consolidated Financial Statements.

(2) Schedules

Schedules are omitted as the information is not required or not applicable, or the required information is shown in the financial statements or notes thereto.

(3) Exhibits

The Exhibits listed in the Exhibit Index at Item 14(c) are filed as part of this Annual Report.

(b) Reports on Form 8-K No reports on Form 8-K were filed during the last quarter of the fiscal year covered by this report.

(c) Exhibits

3.(i)	Certificate of Incorporation of Rich Coast Inc. (1)
3.(ii)	Bylaws of Rich Coast Inc. (1)
10.1	Terminaling Agreement Mobil Oil Corporation. (P)
10.2	Employment Contract between the Company and Robert W. Truxell (Exhibit 1 to the Agreement of Merger dated October 31, 1995.) (2)

10.3	Employment Contract between the Company and James P. Fagan (Exhibit 2 to the Agreement of Merger dated October 31, 1995.) (2)
10.4	1995 Incentive Compensation Plan. (3)
10.5	1996 Employee Stock Option and Bonus Plan, as amended. (4)
10.6	1997 Stock Option and Stock Bonus Plan. (5)
21.1	List of Subsidiaries of the Registrant. Filed herewith.
27.1	Financial Data Schedule. Filed herewith.

----

(1) Incorporated by reference from Registration Statement on Form S-4, File No. 333-6099, effective August 7, 1996.

(2) Incorporated by reference to the Company's Form 8-K dated November 16, 1995.

(3) Incorporated by reference from the Company's Registration Statement on Form S-8, File No. 333-41443.

(4) Incorporated by reference from the Company's Registration Statement on Form S-8, File No. 333-50763.

(5) Incorporated by reference from the Company's Registration Statement on Form S-8, File No. 333-56275.

(P) Filed in paper format on August 13, 1996 under cover of Form SE.

(d) Schedules. Schedules are omitted as the information is not required or not applicable, or the required information is shown in the financial statements or notes thereto.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 10-KSB/A No. 2 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 and Chief Executive Officer

Date: March 25, 1999 By: /s/ Michael M. Grujicich

Michael M. Grujicich, Chief Financial and Accounting Officer

RICH COAST, INC.
(Formerly Rich Coast Resources Ltd.)
Consolidated Financial Statements
(U.S. Dollars)

April 30, 1998 and 1997

REPORT OF INDEPENDENT CHARTERED ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS
OF RICH COAST, INC.

We have audited the accompanying consolidated balance sheets of Rich Coast, Inc. (formerly Rich Coast Resources Ltd.) as of April 30, 1998 and 1997 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended April 30, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 1998 and 1997 and the consolidated results of its operations and cash flows for each of the three years in the period ended April 30, 1998 in conformity with generally accepted accounting principles in the United States.

"Smythe Ratcliffe"

Chartered Accountants

Vancouver, Canada
July 27, 1998, except for notes 2(k), (l) and 9, which are as of January 19, 1999, and notes 1 and 2(f), which are as of March 17, 1999.

See notes to consolidated financial statements.

RICH COAST, INC.
(Formerly Rich Coast Resources Ltd.)
Consolidated Balance Sheets
April 30
(U.S. Dollars)
<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>
Assets (note 7)		
Current		
Cash	$53,043	$12,919
Accounts receivable	460,558	288,265

Insurance claim receivable (note 3)	435,290	0
Share subscription receivable (note 8(d))	25,000	0
Inventory	108,265	135,673
Prepaid expenses	0	4,436
	1,082,156	441,293
Distillation Unit (note 5)	2,024,706	2,024,706
Property and Equipment, at cost (net) (notes 4 and 7)	2,990,373	3,210,485
Patent and Technology, net	25,681	30,525
Deferred Finance Charges and Deposits	120,732	82,775
	$6,243,648	$5,789,784
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	$838,966	$739,128
Accrued oil and waste treatment costs	450,444	303,973
Due to shareholder (note 10)	0	100,000
Current portion of long-term debt (note 7)	595,309	78,673
Current portion of obligation under capital lease	0	5,521
	1,884,719	1,227,295
Long-Term Debt (note 7)	2,016,510	2,108,996
Obligation Under Capital Lease	0	7,815
	3,901,229	3,344,106
Stockholders' Equity (note 8):		
Common stock, $0.001 par value; 100,000,000 shares authorized, 18,875,771 (4,718,942 post reverse split) and 16,155,913 (4,038,978 post reverse split) (note 12b) shares issued and outstanding at April 30, 1998 and 1997, respectively	18,901	16,156
Additional paid-in capital	22,566,414	21,298,497
Accumulated deficit (note 1)	(20,242,896)	(18,868,975)
	2,342,419	2,445,678
	$6,243,648	$5,789,784

</TABLE>
See notes to consolidated financial statements.

RICH COAST, INC.
(Formerly Rich Coast Resources Ltd.)
Consolidated Statements of Operations
Years Ended April 30
(U.S. Dollars)
<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Sales	$2,547,083	$1,897,155	$1,741,352
Cost of Sales (exclusive of depreciation shown separately below)	1,080,557	967,062	550,035
Gross Profit	1,466,526	930,093	1,191,317
Expenses			
Salaries and wages	982,918	713,605	565,670
Compensation for past services	0	0	351,935
Forgiveness of past service compensation liability	0	(351,935)	0
Consulting and management fees	152,223	816,953	53,198
Shareholder relations	149,406	41,630	98,030
Audit, accounting and legal	130,626	213,911	129,108
Travel	125,030	79,939	80,343
Utilities	121,168	129,463	88,400
Insurance	103,805	83,364	65,079
Property taxes	85,760	72,612	61,017
Equipment and storage leases	83,820	111,437	90,661
Repairs and maintenance	62,603	40,983	129,036

Office and general	59,122	31,857	95,577
Telephone and facsimile	40,693	29,489	72,487
Listing, transfer agent and filing fees	24,573	27,176	40,505
Factoring costs	24,304	19,634	68,644
Bad debts	8,375	11,984	47,704
Rent and secretarial	7,353	4,300	46,578
Advertising	5,853	12,356	10,139
Financing	0	26,772	0
Depreciation	256,398	359,168	387,982
	2,424,030	2,474,698	2,482,093
Loss Before Other Items	957,504	1,544,605	1,290,776
Other Items			
Insurance proceeds in excess of current expenditures (note 3)	(103,503)	0	0
Interest expense	213,912	303,648	56,246
Interest - beneficial conversion feature (note 2(l))	0	0	198,626
Loss on equipment disposal	147,752	2,478	0
Amortization of deferred financing costs	22,060	0	17,646
Gain from oil and gas operations (note 2)	0	0	(2,449)
Resource properties disposal loss (note 2)	0	0	73,868
Net Loss for Year	$1,373,921	$1,928,329	$1,420,919
Net Loss per Share	$ 0.08	$ 0.13	$ 0.14
Post Reverse Split Net Loss per Share (Note 12b)	$ 0.52	$ 0.56	$ 0.32
Weighted Average Number of Shares Outstanding	17,272,153	15,035,155	9,843,419
Post Reverse Split (Note 12b)	4,318,038	3,758,788	2,460,854

</TABLE>
See notes to consolidated financial statements.

RICH COAST, INC.
(Formerly Rich Coast Resources Ltd.)
Consolidated Statements of Stockholders' Equity
Years Ended April 30
(U.S. Dollars)

<TABLE>
<CAPTION>

<S>	Common Shares Number <C>	Post Reverse Split (note 12b) <C>	Common Shares Amount <C>	Additional Paid-In Capital <C>	Accumulated Deficit (note 1) <C>	Total Stockholders' Equity (Deficit) <C>
Balance April 30, 1995	7,749,422	1,937,355	$7,749	$18,529,829	$(15,519,727)	$ 3,017,851
Issuance of common stock (note 8)	5,574,671	1,393,668	5,575	4,144,921	0	4,150,496
Share issue costs	0	0	0	(451,823)	0	(451,823)
Adjustment to reflect fair value of assets of acquired subsidiaries	0	0	0	(2,494,801)	0	(2,494,801)
Net Loss	0	0	0	0	(1,420,919)	(1,420,919)
Balance, April 30, 1996	13,324,093	3,331,023	13,324	19,728,126	(16,940,646)	2,800,804
Issuance of common Stock (note 8)	2,831,820	707,955	2,832	1,585,239	0	1,588,071
Financing cost	0	0	0	(14,868)	0	(14,868)
Net Loss	0	0	0	0	(1,928,329)	(1,928,329)
Balance, April 30, 1997	16,155,913	4,038,978	16,156	21,298,497	(18,868,975)	2,445,678
Issuance of common Stock (note 8)	2,719,858	679,964	2,745	804,526	0	807,271
Interest beneficial Conversion (note 2(l))	0	0	0	463,391	0	463,391
Net Loss	0	0	0	0	(1,373,921)	(1,373,921)
Balance, April 30, 1998	18,875,771	4,718,942	$18,901	$22,566,414	$(20,242,896)	$2,342,419

</TABLE>
See notes to consolidated financial statements.

RICH COAST, INC.
(Formerly Rich Coast Resources Ltd.)
Consolidated Statements of Cash Flows
Years Ended April 30
(U.S. Dollars)

<TABLE>
<CAPTION>

	1998	1997	1996
Operating Activities			
<S>	<C>	<C>	<C>
Net loss for year	$(1,373,921)	$(1,928,329)	$(1,420,919)
Adjustments to reconcile net loss to net cash			
Used by operating activities			
Interest beneficial conversion feature	198,626	0	0
Interest expense	64,356	0	0
Depreciation and amortization	274,045	381,228	387,982
Resource properties disposal loss	0	0	73,902
Loss on equipment disposal	0	147,752	0
Consulting and management fees	155,410	608,548	0
Salaries and wages	231,405	0	0
Changes in Operating Assets and Liabilities			
Accounts receivable	(172,293)	138,700	(281,430)
Insurance claim receivable	(435,290)	0	0
Subscriptions receivable	(25,000)	0	
Inventory	27,408	(135,673)	0
Prepaid expenses	4,436	37,250	(40,049)
Accounts payable and accrued liabilities	99,839	(125,241)	(54,372)
Accrued oil and waste treatment costs	146,470	201,867	102,106
Past services compensation payable	0	(351,935)	351,935
Net Cash Used in Operating Activities	(779,509)	(1,025,833)	(880,845)
Investing Activities			
Purchase of property and equipment	(163,230)	(123,054)	(2,160,338)
Investment in and expenditures on mineral properties	0	0	(2,480)
Distillation unit costs incurred	0	0	(16,156)
Fire insurance proceeds re fixed assets	131,714	0	0
Proceeds on sale of oil and gas properties	0	0	4,933
Proceeds on sale of equipment	0	2,000	7,253
Net Cash Used in Investing Activities	(31,516)	(121,054)	(2,166,788)
Financing Activities			
Issue of common stock	231,100	964,673	1,315,251
Land contract repayments	(8,085)	(33,776)	0
Shareholders' loans	(4,763)	0	0
Obligation under capital lease	(13,336)	(1,181)	(4,245)
Notes payable	697,000	0	2,000,000
Finders' fees and share issue costs	0	0	(248,100)
Deferred finance charges and other	(55,530)	203,303	0
Net Cash Provided by Financing Activities	851,149	1,128,256	3,062,906
Increase (Decrease) in Cash	40,124	(18,631)	15,273
Cash, Beginning of Year	12,919	31,550	16,277
Cash, End of Year	$ 53,043	$ 12,919	$ 31,550
Supplemental information			
Issue of common stock			
For short term shareholder advances received in year	$ 0	$ 531,061	$ 0
For settlement of debt	$ 100,230	$ 531,061	$ 104,487
For partnership interest	$ 0	$ 0	$ 2,484,724
For services and compensation	$ 386,815	$ 608,548	$ 246,034
For finder's fee	$ 0	$ 14,850	$ 0
For interest	$ 64,126	$ 0	$ 0
Interest paid	$ 154,860	$ 211,808	$ 41,684
Income taxes paid	$ 0	$ 0	$ 0

</TABLE>

See notes to consolidated financial statements.

RICH COAST, INC.
(Formerly Rich Coast Resources Ltd.)

Notes to Consolidated Financial Statements
Years Ended April 30, 1998 and 1997
(U.S. Dollars)

1. ORGANIZATION AND BASIS OF PRESENTATION

Pursuant to an Agreement of Merger, effective October 31, 1995 and executed on November 16, 1995, Rich Coast, Inc. (the "Company") acquired Integrated Waste Systems, Inc., a Michigan corporation ("IWS"), and The Powers Fagan Group, Inc., a Michigan corporation ("Powers/Fagan"), through the issuance of 3,383,200 shares of its common stock. At April 30, 1995 and prior to the merger, the Company held a controlling interest (approximately 55%) in Waste Reduction Systems ("the Partnership"). IWS and Powers/Fagan together held the remaining (approximately 45%) interest in the Partnership. Neither IWS nor Powers/Fagan had any assets, liabilities or operations other than their interest in the Partnership.

The acquisition was initially accounted for as a combination of entities under common control, a method similar to a pooling of interests. Management has now determined that this method did not reflect the substance of the transaction. The acquisition of IWS and Powers/Fagan has now been accounted for using the purchase method of accounting. The financial statements have been restated to reflect the change in accounting method. The purchase price of $915,288 was determined based upon the net book value of the IWS and Powers/Fagan assets received. The net book value of the assets received approximated their fair value. The net book value of the assets received was determined to be the purchase cost as such value was more clearly evident than the fair value of the common stock issued. The Company, pursuant to the partnership agreement with the Partnership, had been including its majority interest in the partnership's losses and also absorbing the losses pertaining to the Partnership interests held by IWS and Powers/Fagan.

Consolidated operating results as if the Company's acquisition of IWS and Powers/Fagan had been consummated as of May 1, 1995 would not be different from the results shown in the financial statements

Prior to the acquisition of its interest in the Partnership and the acquisition of IWS and Powers/Fagan, the Company was engaged in mineral exploration and had accumulated a deficit of $13,210,746. The Company now operates a non-hazardous waste treatment facility in Dearborn, Michigan, specializing in recycling of waste oils.

These consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States and all amounts are in U.S. dollars.

During the 1997 fiscal year the Company was discontinued in British Columbia and continued in the State of Delaware under the General Corporate Law of that jurisdiction under the name Rich Coast, Inc. Effective July 14, 1998 the Company reincorporated in the State of Nevada.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

These financial statements include the accounts of Rich Coast, Inc. (a Delaware Corporation, a Nevada Corporation effective July 14, 1998) and its wholly-owned subsidiaries Rich Coast Oil, Inc., Waste Reduction Systems, Inc., Rich Coast Pipeline, Inc., and Rich Coast Resources Inc. all being Michigan corporations. All intercompany balances and transactions have been eliminated.

(b) Inventory

Inventories are stated at the lower of cost or market. Cost is determined on a first in, first out (FIFO) basis.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Distillation unit, property and equipment

The distillation unit and the property and equipment are recorded at cost. These assets are depreciated over their estimated useful lives as follows:

Buildings	Straight line basis
Machinery and equipment	Double declining balance basis
Bulk storage tanks	1.5 declining balance basis
Furniture and fixtures	Double declining basis
Computer	Double declining basis

No depreciation has been taken on the distillation unit or the property and equipment and pipeline that have not yet been put into use.

The Company reviews long term assets such as the distillation unit to determine if the carrying amount is recoverable based on the estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If in this determination there is an apparent shortfall, the loss will be recognized as a current charge to operations.

(d) Resource properties

During the 1996 fiscal year the Company disposed of its remaining mineral and oil and gas properties concurrent with the merger referred to in note 1 above.

(e) Deferred finance charges

Costs related to long-term financing are being amortized over the terms of the related debt on a straight-line basis, which is not materially different from the effective interest method.

(f) Reporting currency

Financial statements for reporting periods up to and including the year ended April 30, 1996 were originally presented in Canadian dollars because that was the reporting currency. As discussed in note 1, the Company became a U.S. corporation during the 1997 fiscal year. Effective May 1, 1996 financial statements are presented in United States dollars, the functional currency for recording the operations and activities of the Company.

(g) Net loss per share

Net loss per share computations are based on the weighted average number of common shares outstanding during the year. The effect of exercising share warrants and options is not reflected as the result would be anti-dilutive.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income taxes

The Company uses the asset and liability approach in its method of accounting for income taxes which requires the recognition of deferred tax liabilities and assets for expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. A valuation allowance against deferred tax assets is recorded if, based upon weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

(j) Financial instruments

The carrying value of cash, accounts receivable, accounts payable, insurance claim receivable and accrued liabilities approximate their fair value because of the short maturity of these financial instruments. Advances on factored accounts receivable are recorded as deductions from the related receivable amounts. In the opinion of management, the carrying amounts of these financial instruments approximate their fair value because of the short maturity of these financial instruments. Long term debt approximates its fair value because interest payments over the term of the debt approximated market rates at inception of the debt.

(U.S. Dollars)

(k) Stock based compensation

The Company applies APB Opinion No. 25 and related interpretations in accounting for its stock option plans and, accordingly, no compensation cost has been recognized because stock options granted under the plans were at exercise prices which were equal to market value at date of grant. Compensation expense is recorded when options are granted to management at discounts to market.

(l) Long-term debt

The beneficial conversion features relating to the 10% 18-month promissory notes and the subsequent issue of 8% debentures are accounted for as an interest charge and are amortized over the period from the date of issue through the date the debt is first convertible. This policy conforms to the accounting for these transactions announced by the SEC staff in March 1997.

3. INSURANCE CLAIM

In December 1997 the Company incurred damage to its premises at 10200 Ford Road, Dearborn as a result of a fire. The accounts at April 30, 1998 reflect the amounts subsequently received from the insurers and the expenditures incurred for repairs (note 6).

4. PROPERTY AND EQUIPMENT

The Company's offices, plant, processing equipment and bulk storage terminal located in Dearborn, Michigan are comprised of the following:

	Estimated Useful Lives (Years)	1998	1997
Land	--	$250,041	$250,041
Buildings	39	1,388,117	1,370,903
Machinery and equipment	7	1,586,789	1,558,465
Bulk storage tanks	15	636,534	636,534
Pipeline	15	296,187	296,187
Furniture, fixtures, computers, etc	5 to 7	51,274	86,309
Total at cost		4,208,942	4,198,439
Accumulated depreciation		1,218,569	987,954
		$2,990,373	$3,210,485

The Company's premises at 10200 Ford Road in Dearborn, Michigan are currently listed for sale. The property is occupied under the terms of a land contract (note 7). The premises were occupied and used throughout 1998 fiscal year. Depreciation charges based on historical cost have been recorded.

5. DISTILLATION UNIT

The Company has a mineral distillation unit acquired at an original cost of $2,000,000 from GAP Energy, Inc. The mineral distillation unit was originally purchased for use on the proposed joint venture project with GAP Minerals, Inc. in the development of the Gongora Property in Costa Rica. The price of sulphur dropped making the development of the project uneconomical, however; the Company had intended to proceed with the project once world prices improve to the point the project becomes profitable. In view of this, the Company searched for an alternate use of the unit and found that it could possibly be used for soil remediation for such things as oil pits polluted with hydrocarbons. Testing was conducted on the unit to confirm this use. Preliminary results indicate the system is capable of removing soil contaminants to a level acceptable to the Environmental Protection Agency of the United States.

(U.S. Dollars)

The investment in the distillation unit comprises a significant portion of the Company's assets. Realization of the Company's investment in the distillation unit is dependent upon the successful development of the unit for soil remediation purposes, the attainment of successful production from the unit or from the proceeds of the unit's disposal.

<TABLE>
<CAPTION>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<S>	<C> 1998	<C> 1997
Trade payables	$ 516,482	$587,925
Building repair (fire damage) (note 3)	200,187	0
Accrued salaries and wages	50,325	70,491
Accrued property taxes	55,296	45,367
Payroll taxes	11,676	18,679
Accrued interest	5,000	16,666
	$838,966	$739,128

7. LONG-TERM DEBT

	1998	1997
10% 18 month convertible promissory notes - series 1997, interest payable quarterly. Holders elected at the time of purchase to receive interest in shares of the Company's common stock values at a price per share equal to the average closing bid price as quoted on NASDAQ over the 20 trading days preceding the close of the calendar quarter. The notes may be converted at the option of the holder at maturity into shares of common stock at a price per share equal to 50% of the quoted NASDAQ bid price at the conversion date. One holder of a $30,000 note has elected to receive cash at maturity	$ 697,000	0
Unamortized interest charge relating to beneficial conversion feature (note 2(l))	(264,765)	0
	432,235	0
10% senior secured note, due October 1, 2001 interest payable monthly (see below for security)	2,000,000	2,000,000
Land contract payable in monthly instalments of $4,753 each including principal and interest at 8% unless the Company falls behind in its payments at which time the interest rate increases to 12% and monthly instalments increase to $5,384 until the payments are back to schedule (the Company's arrears payments were corrected by a payment of $84,371 on June 1, 1998). After the land contract is paid in full, the Company may lease the property for a 7-year term, which will cause the land to be titled to the Company for $1.00, either after satisfactory clean up by others or 91 years.	179,584	187,669
	2,611,819	2,187,669
Less: Current portion	595,309	78,673
	$2,016,510	$2,108,996

</TABLE>

(U.S. Dollars)

7. LONG TERM DEBT (Continued)

The senior secured note payable is secured by a $2,000,000 mortgage granted by the Company over the real property at 6011 and 6051 Wyoming, Dearborn, Michigan and a charge on all other assets of the Company. The loan agreement contains covenants relating to financial requirements, expenditures, etc. for the Company. The holder may convert the loan into common shares at $0.50 per share in the event of default by the Company.

At the time the loan arrangements were made, the note holder was issued warrants to purchase 3,600,000 shares of the Company (note 9).

The land contract payable relates to premises occupied at 10200 Ford Road, Dearborn, Michigan which is currently listed for sale.

The amount of long-term obligations outstanding at April 30, 1998 mature as follows:

1999	$ 595,309
2000	267,858
2001	13,417
2002	2,000,000
	$2,876,584

8. STOCKHOLDERS' EQUITY

(a) Activity of the common stock account for the years 1996, 1997 and 1998 is as follows:

	Number of Shares (Pre Reverse Split) (note 12b)	Number of Shares (Post Reverse Split) (note 12b)	Par Value	Additional Paid-In Capital
Fiscal 1996				
Shares issued				
For cash private placements	1,198,945	299,736	$ 1,199	$ 835,445
For cash exercise of stock options	575,150	143,787	575	478,032
For services	250,000	62,500	250	245,784
For settlement of loan payable to shareholder	167,376	41,844	168	104,319
Acquisition of Waste Reduction Systems	3,383,200	845,800	3,383	2,481,341
	5,574,671	1,393,667	$ 5,575	$ 4,144,921
Fiscal 1997				
Shares issued				
For financing fees	50,000	12,500	$ 50	$ 14,800
For settlement of debt	1,104,470	276,117	1,104	529,957
For cash private placements	475,000	118,750	475	354,000
For cash exercise of stock options	81,750	20,437	82	79,055
For services	1,120,600	280,150	1,121	607,427
	2,831,820	707,954	$ 2,832	$ 1,585,239

Fiscal 1998

(U.S. Dollars)

Shares issued				
For services and compensation*	921,892	230,473	922	385,893
For cash private placements**	430,000	107,500	430	107,070
For cash exercise of stock options	355,000	88,750	355	78,245
For cash exercise of warrants	280,000	70,000	280	69,720
For settlement of loan payable to a Shareholder	521,198	130,299	521	99,709
For interest	211,768	52,942	237	63,889
	2,719,858	679,964	$ 2,745	$ 804,526

</TABLE>

* Includes 100,000 shares for cash consideration of $25,000 subscribed and paid July 28, 1998.
** Includes $81,000 of compensation relating to options granted to management at a discount to market.

(b) Subsequent to April 30, 1998 the Company issued 132,500 shares (pre reverse split) (33,025 post reverse split) (note 12(b)) and 1,875 shares post reverse split under the terms of the 1996 Employee Stock Option and Stock Bonus Plan (note 9) for total cash of $35,000. Additionally, options were exercised under the terms of the 1995 Incentive Compensation Plan and the 1997 Stock Option and Stock Bonus Plan for 498,500 shares (pre reverse split) (124,625 post reverse split) (note 12b) for cash proceeds of $104,430.

(c) 8,099 shares (post reverse split) were issued for interest of $16,927 on notes payable for the quarter ended June 30, 1998.

(d) The share subscription receivable was collected by the Company July 28, 1998.

9. STOCK OPTIONS AND WARRANTS

Options

Pursuant to the Company's 1995 Incentive Compensation Plan as subsequently amended in 1996 ("the 1995 Plan"), the 1996 Employee Stock Option and Stock Bonus Plan ("the 1996 Plan"), and the 1997 Stock Option and Bonus Plan ("the 1997 Plan") the Company may issue stock options and stock bonuses for shares in the capital stock of the Company to provide incentives to officers, directors, key employees and other persons who contribute to the success of the Company. The exercise price of the Incentive Options (employees of the Company or its subsidiaries) is no less than the fair market value of the stock at the date of the grant and for non-qualified options (non employees) the exercise price is no less than 80% of the fair market value (defined as the most recent closing sale price reported by NASDAQ) on the date of the grant.

The following table summarizes the Company's stock option activity for the years ended April 30, 1998 and 1997:

<TABLE>
<CAPTION>

	1998		1997	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>
Outstanding, Beginning of Year				
Granted	2,015,000	$1.00	2,005,000	$1.00
Exercised	4,292,913	$0.83	220,000	$1.00
Expired	(40,000)	$0.72	0	$0.00
	0	$0.00	(210,000)	$1.00
Outstanding, End of Year	6,267,913		2,015,000	

</TABLE>

The following table summarizes information about the Company's stock options outstanding:

(U.S. Dollars)

<TABLE>
<CAPTION>

	Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
April 30, 1998	$0.72 - $2.00	6,267,913	$3.50	$0.88	6,097,913	$0.85
April 30, 1997	$1.00 - $2.00	2,015,000	$3.70	$1.00	1,720,000	$1.00

</TABLE>

9. STOCK OPTIONS AND WARRANTS (Continued)

The Company applies APB Opinion No. 25 and related interpretations in accounting for its stock option plans and, accordingly, no compensation cost has been recognized because stock options granted under the plans were at exercise prices which were equal to market value at date of grant. Had compensation expense been determined as provided in SFAS 123 using the Black-Sholes option-pricing model, the pro-forma effect on the Company's net income (loss) and per share amounts would have been:

<TABLE>
<CAPTION>

	1998	1997
<S>	<C>	<C>
Net income (loss), as reported	$(1,373,921)	$(1,928,329)
Net income (loss), pro-forma	(4,339,709)	(2,129,279)
Net income (loss) per share, as reported	$ (0.08)	$ (0.13)
Net income (loss) per share, as reported - post reverse split	$ (0.32)	$ (0.52)
Net income (loss) per share, pro-forma	$ (0.25)	$ (0.14)
Net income (loss) per share, pro-forma - post reverse split	$ (1.00)	$ (0.57)

</TABLE>

The fair value of each option grant is calculated using the following weighted average assumptions:

<TABLE>
<CAPTION>

	1998	1997
<S>	<C>	<C>
Expected life (years)		
	3	3
Interest rate		
Volatility	6.28%	5.99%
Dividend yield	101.14%	117.82%
	0.00%	0.00%

</TABLE>

Note: For fiscal 1998 add $3,164,414 in expenses for pro-forma net income and per share amounts. For fiscal 1997 add $200,950.

<TABLE>
<CAPTION>

	1997 Plan	(Post Reverse Split)	1996 Plan	(Post Reverse Split)	1995 Plan	(Post Reverse Split)

		(note 12(b))		(note 12(b))		(note 12(b))
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Bonus Shares						
Fiscal 1996						
Issued					250,000	62,500
Fiscal 1997						
Issued			410,000	102,500		
Fiscal 1998						
Issued	50,000	12,500				
	50,000	12,500	410,000	102,500	250,000	62,500
Options Other						
Fiscal 1998						
Issued	(40,000)	(10,000)				
Exercise price to September 8, 2007	$ 0.18	$ 0.72				

</TABLE>

9. STOCK OPTIONS AND WARRANTS (Continued)

Warrants

At April 30, 1998 there were 5,394,643 (1,348,660 Post Reverse Split) (Note 12b) share purchase warrants outstanding.

<TABLE>
<CAPTION>

Expiry Date	Exercise Price		Number of Warrants	
	Pre Reverse Split	Post Reverse Split	Pre Reverse Split	Post Reverse Split
<S>	<C>	<C>	<C>	<C>
September 8, 1998	$0.25	1.00	200,000	50,000
June 15, 2001	$0.25	1.00	150,000	37,500
November 5, 2001	$0.25	1.00	180,000	45,000
January 13, 2002	$0.25	1.00	420,000	105,000
July 30, 2002	$0.20	0.80	844,643	211,160
June 10, 2006	$0.30	1.20	3,600,000	900,000
			5,394,643	1,348,660

</TABLE>

10. RELATED PARTY TRANSACTIONS

(a) Management fees of $30,000 were paid to directors or companies controlled by directors for the year ended April 30, 1998 (1997 - $30,000; 1996 - $30,000)

(b) Shareholder advance of $100,000 to the Company for working capital purposes in 1997 fiscal year was settled by the issuance of 521,198 shares in 1998 fiscal year, which included an interest component of $4,240.00. The shares were issued at a discount to market of 20%.

(c) Accounts payable (accrued payroll) includes $27,910 payable to two directors and officers of the Company.

11. INCOME TAXES

A deferred tax asset stemming from the Company's net operating loss carryforward, has been reduced by a valuation account to zero due to uncertainties regarding the utilization of the deferred assets.

At April 30, 1998 the Company has available net operating loss carryforward of approximately $6,400,000 which it may use to offset future federal taxable income. The net operating loss carryforwards, if not utilized, will begin to expire in 2007.

12. SUBSEQUENT EVENTS

(a) Subsequent to April 30, 1998 the Company completed a private placement of $1,500,000 of 8% convertible debenture due June 15, 2003 which netted the Company $1,292,330. The debenture and accrued interest thereon may be converted at the option of the holder at anytime into common stock at a price per share equal to the lesser of the closing bid price of the shares at the date of issuance of the debenture or 75% of the five day average closing bid price for the five trading days immediately preceding the conversion date.

(b) The Company announced a one for four reverse split of the authorized common stock effective June 19, 1998.

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12. SUBSEQUENT EVENTS (Continued)

(c) Share issuances after April 30, 1998 are set out in notes 8(b) and (c).

(d) The Company reincorporated in the State of Nevada effective July 14, 1998.

13. LITIGATION

In December 1997 a complaint was filed against the Company relating to alleged payments of $225,000 due by the Company under a Terminaling Agreement of May 18, 1995. The outcome of the dispute is not determinable at this time, however, management is of the opinion the matter will be settled prior to trial. No provision for loss has been recorded in the accounts.

Exhibit 21
Subsidiaries of the Registrant

Name of Subsidiary	Jurisdiction of Incorporation
Rich Coast Resources, Inc.	Michigan
Rich Coast Oil, Inc.	Michigan
Rich Coast Pipeline, Inc.	Michigan
Waste Reduction Systems, Inc.	Michigan

<TABLE> <S> <C>

<ARTICLE> 5

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