

# INFORMATION & DISCLOSURE STATEMENT

Rule 15c2-11 Sections  
(a)(5)(i) through (a)(5)(xiii) and Section (a)(5)(xvi)

Financial Statements  
For the period ended June 30, 2006



**BizAuctions, Inc.**  
**3440 E. Russell Road**  
**Suite 217**  
**Las Vegas, NV 89120**

## INFORMATION AND DISCLOSURE STATEMENT

The information contained in this report is in draft format and has not been filed with, nor reviewed by, nor approved by the Securities and Exchange Commission, the National Association of Securities Dealers, or any other regulatory body.

**i. the exact name of the issuer and its predecessor (if any);**

BizAuctions, Inc. Most recent predecessor name is Kootenai Corp.

**ii. the address of its principal executive offices;**

*Corporate Offices:*

3440 E. Russell Road  
Suite 217  
Las Vegas, NV 89120  
Phone (800) 961-3275  
Fax (509) 352-8109  
www.BizAuctions.com

*San Diego/Operations Offices:*

1510 Corporate Center Drive  
San Diego, CA 92154  
Phone (800) 961-3275

*Investor Relations Contact:*

Delmar Janovec, President  
3440 E. Russell Road  
Suite 217  
Las Vegas, NV 89120  
Phone (800) 961-3275  
investors@BizAuctions.com

**iii. the state of incorporation, if it is a corporation;**

BizAuctions, Inc. is a Delaware corporation. The predecessor corporation was incorporated on May 5, 1995.

**iv. the exact title and class of the security;**

BizAuctions, Inc. Common Stock  
CUSIP – 09178V 10 8  
Trading symbol – BZCN

BizAuctions, Inc. Preferred Stock  
CUSIP – None  
Trading Symbol – None

BizAuctions, Inc. Series A Preferred Stock  
CUSIP – None  
Trading Symbol – None

**v. the par or stated value of the security;**

Common Stock Par Value - \$0.001 per share

Preferred Stock Par Value - \$0.001per share

Series A Preferred Stock Par Value - \$0.001 per share

**vi. the number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year;**

**As of August 24, 2006**

*COMMON STOCK*

81,067,626 shares issued

500,000,000 shares authorized

*PREFERRED STOCK*

0 shares issued

500,000 shares authorized

*SERIES A PREFERRED STOCK*

12,000,000 shares issued

20,000,000 shares authorized

*RECENT OFFERINGS*

The issuer has had no official offerings within the last two years. The issuer has sold (and may in the future) restricted shares on a limited basis to various parties which may include but not be limited to investors, employees, and/or affiliates.

**vii. the name and address of the transfer agent;**

*COMMON STOCK*

Interwest Transfer Co.

1981 East 4800 South, Suite 100

P.O. Box 17136

Salt Lake City, UT 84117

Phone: (801) 272-9294

Fax: (801) 277-3147

Interwest Transfer Company is registered with the Securities and Exchange Commission under the Act of 1934.

*PREFERRED CLASSES*

The issuer facilitates the transfer of its two Preferred Classes itself.

**viii. the nature of the issuer's business;**

The issuer's predecessor corporation, Kootenai Corp., was incorporated on May 5, 1995. Net2Auction, Inc. acquired control of Kootenai on or about June 23, 2006. Kootenai later acquired BizAuctions Corp. from Net2Auction. Subsequent to the acquisition of BizAuctions Corp., Kootenai changed its name to BizAuctions, Inc. BizAuctions, Inc. now holds BizAuctions Corp. as a wholly-owned subsidiary. Net2Auction currently maintains control of BizAuctions, Inc.

BizAuctions, Inc. is a prime provider of commercial eBay liquidation services for excess inventory, overstock items, and returns. Our clients have included some of the Nation's leading retail names at the forefront of their industries.

BizAuctions addresses the \$60 billion excess inventory problem for clients by sending trucks to pick up pallets of excess inventory, selling the inventory on eBay, and collecting payment.

We provide our clients with a new sales channel to generate additional revenue on excess inventory, while at the same time freeing up their valuable storage and retail space.

BizAuctions employs two primary business models, whereby it liquidates inventory through eBay on consignment for a lucrative commission; and/or it purchases inventory at a fraction of retail price for the purpose of liquidating it for a profit. We consign, we buy, and we liquidate through eBay!

We are currently offering our eBay liquidation services regionally in select Southern California areas, but we plan to begin offering our services nationwide in the near future. Nationwide projects will be evaluated on a case-by-case basis on variables including but not limited to inventory volume, type of inventory, facilities requirements, inventory dollar value, transport viability, capital requirements, and transport cost; as well as compliance with any state and/or local laws. Initially, marketing and business development efforts outside of the current service areas will be limited, but the company will entertain any potential eBay liquidation projects that arise.

With a long-term strategy to provide eBay liquidation services to Fortune 1000 enterprises, BizAuctions is a clear and lucrative solution for most any business to liquidate its excess inventory on eBay.

***OTHER CORPORATE INFORMATION***

- **Fiscal Year End.** BizAuctions is a Delaware corporation with the fiscal year end of December 31.
- **Change of Control.** There have been various changes of control throughout the issuer's history. Most recently, a change of control occurred upon the acquisition of the majority shares outstanding by Net2Auction, Inc. on or about June 23, 2006. Net2Auction is BizAuctions' parent company. Subsequent to Net2Auction obtaining control of the issuer, the issuer acquired BizAuctions Corp. from Net2Auction.

- **Claims, Proceedings, Judgments.** Years ago, prior to the issuer being controlled by current management and Net2Auction, operating as the predecessor, the issuer was subject to several claims, proceedings, and judgments regarding liabilities to various creditors. The details of these claims, proceedings, and judgments are unclear to current management. While management does not believe this to be the case, such claims, proceedings, and judgments could be detrimental to the issuer.
- **Changes in Capitalization, Share Structure, Forward Split.** Throughout the issuer's history and prior to Net2Auction obtaining control of the issuer on or about June 23, 2006, there were various changes to the issuer's capitalization and certificate of incorporation. Most recently, subsequent to Net2Auction obtaining control of the issuer on June 23, 2006, the issuer filed a restatement of its certificate of incorporation to become effective on 8/17/2006 for, among other things, a 2:1 forward stock split of its common stock.
- **10% Control Parties.**

Parties with 10% or more of the issuer's total voting control include Net2Auction, Inc. and AmeriResource Technologies, Inc.

Parties holding 10% or more of the Common Stock include Net2Auction, Inc. and AmeriResource Technologies, Inc.

Parties holding 10% or more of the Series A Preferred Stock include Net2Auction, Inc. and AmeriResource Technologies, Inc.

<u>Class</u>	<u>Net2Auction</u>	<u>AmeriResource</u>
Common	39,100,000	20,500,000
Preferred - A	9,000,000	3,000,000

- **Parent Company.** BizAuctions is controlled by Net2Auction, Inc. Net2Auction is BizAuctions' parent company.  
  
Net2Auction, Inc. is controlled by AmeriResource Technologies, Inc. AmeriResource is Net2Auction's parent company.
- **Operations and Losses.** BizAuctions is currently conducting operations. The issuer is an early-stage company and is undercapitalized. The issuer has incurred continuing losses and has not generated sufficient working capital to support its operations.

**ix. the nature of products or services offered;**

BizAuctions provides commercial eBay liquidation services for excess inventory, overstock items, and returns. We provide our clients another sales channel to generate additional revenue on excess inventory.

We can liquidate inventory for most any commercial enterprise including category killer retailers, Fortune 500 manufacturers, and small businesses alike—we can have the capacity to move your inventory!

Our eBay Liquidation Services Involve Three Major Steps:

1 - We contract with clients and send trucks to pick up pallets of excess inventory, returns, or overstock items.



2 - From our facility, our highly trained staff uses software systems to liquidate the inventory through eBay.



3 - We collect payment from the sale of excess inventory!

BizAuctions is a full-service provider. Our operations are designed for maximum capacity, and we can handle most any inventory liquidation project. Whether the client is a Fortune 500 company with 1,000 items or a small business with 100 items, we can take on most any project and recover funds from our clients' excess inventory.

BizAuctions employs two primary business models, whereby it liquidates inventory through eBay on consignment for a lucrative commission; and/or it purchases inventory at a fraction of retail price for the purpose of liquidating it for a profit. We consign, we buy, and we liquidate through eBay!

We are currently offering our eBay liquidation services regionally in select Southern California areas, but we plan to begin offering our services nationwide in the near future. Nationwide projects will be evaluated on a case-by-case basis on variables including but not limited to inventory volume, type of inventory, facilities requirements, inventory dollar value, transport viability, capital requirements, and transport cost; as well as compliance with any state and/or local laws. Initially, marketing and business development efforts outside of the current service areas will be limited, but the company will entertain any potential eBay liquidation projects that arise.

*\* Any items that don't sell can be relisted into an auction, they can be returned to you, or they can be donated to charity.*

*\*\*In certain cases, we do take on liquidation projects where BizAuctions purchases the inventory directly from the client at a fraction of retail price for the purpose of reselling the inventory at a profit.*

*\*\*\*Services are offered subject to compliance with any state and/or local laws.*

## ***OTHER SERVICE RELATED INFORMATION***

- **Competition.** The issuer faces competition from various sources. There are many other companies that offer liquidation and consignment services. Many competitors are more experienced, better funded, and have higher brand-recognition than the issuer, among numerous other advantages. Additionally, there is expectation other competitors will undoubtedly enter the market.
- **Dependence on eBay.** The issuer's operations are dependent on eBay. The issuer lists products for sale in eBay auctions, so it is dependent on eBay to provide a steady stream of potential buyers for the items it is listing for sale. It should be noted that the issuer's dependence on eBay creates a significant operational risk for the issuer.
- **Operational Risk, Inventory Purchases/Services, Dependence On One Major Customer.** Currently, the majority of the issuer's services provided and the majority of the issuer's revenue is derived from inventory it purchases at a fraction of retail price for the purpose of reselling it at a profit; and currently most of the services provided and revenue are generated from one client. In cases where the issuer purchases inventory at a fraction of retail price for the purpose of reselling it at a profit, there is no assurance that the issuer will be able to resell the inventory at a profit. Further, the issuer is currently dependent on one client for a majority of the services it is providing, and for a majority of the revenue derived from those services. It should be noted that these factors create a significant operational risk for the issuer.
- **Government Regulation.** Due to the nature of the issuer's business, the issuer may be subject to compliance with federal, state, and local laws. Due to such laws, the issuer may be subject to compliance issues including but not limited to licensing, regulation, and/or taxes, and the issuer may have to turn down certain business in certain areas due to federal, state, or local laws. It should be noted that potential federal, state, and local regulation creates a significant operational risk for the issuer.
- **Intellectual Property.** The issuer has no patented intellectual property.

### **x. The nature and extent of the issuer's facilities;**

#### *Corporate Offices:*

The issuer maintains its administrative offices at a small, leased facility. The functions out of this office are primarily administrative, and little staff is maintained at this office. This office is shared with the issuer's parent company and other affiliated companies for administrative purposes.

3440 E. Russell Road  
Suite 217  
Las Vegas, NV 89120  
Phone (800) 961-3275  
Fax (509) 352-8109

*San Diego/Operations Facilities:*

The issuer maintains its operations facilities at a leased free-standing building in the San Diego, CA area. The building encompasses in excess of 20,000 square feet. The majority of the issuer's staff is employed at this facility, and the issuer's operations are conducted out of this facility.



1510 Corporate Center Drive  
San Diego, CA 92154  
Phone (800) 961-3275  
Fax (509) 352-8109

**xi. The name of the chief executive officer and members of the board of directors;**

<u>Name</u>	<u>Position</u>	<u>Common Shares</u>
Delmar Janovec	President, Chairman, CEO, Secretary	4,500,000
Brent Crouch	Director, CFO, Treasurer	4,500,000

Delmar A. Janovec  
President, Chairman, CEO, Secretary  
3440 E. Russell Road  
Suite 217  
Las Vegas, NV 89120

Mr. Janovec has been President, CEO, and Director of AmeriResource Technologies, Inc. since July of 1994. He previously served as the President and majority owner of Tomahawk Construction Company, a general contractor, performing projects for a number of the top Fortune 500 Corporations, primarily in the automotive industry. Also, Mr. Janovec served as the President of Cottonwood Development, a real estate development company, which developed vacant land, residential homes, and co-owned and managed a number of apartment complexes. Mr. Janovec is a member of the Santee Sioux Tribe and has served on numerous Boards, primarily in the areas for the betterment of the American Indians. Mr. Janovec attended undergraduate studies at Kansas State University majoring in Wildlife Management. Mr. Janovec also holds executive positions and directorships in Net2Auction, Inc. and RoboServer Systems Corps.

Brent E. Crouch  
Director, CFO, Treasurer  
3440 E. Russell Road  
Suite 217  
Las Vegas, NV 89120

Mr. Crouch has been an accountant for twenty years, emphasizing public company compliance. He began his career at Deloitte Haskins & Sells (currently Deloitte & Touche). He subsequently worked with other major international accounting firms, before opening his own practice. His clients include public companies in various industries including manufacturing, service providers, and finance. Mr. Crouch also holds executive positions and directorships in Net2Auction, Inc. and RoboServer Systems Corps.

***LEGAL/DISCIPLINARY HISTORY OF AFOREMENTIONED PARTIES***

1. None of the parties above have been subject to a conviction in a criminal proceeding in the last five years or named as a defendant in a pending criminal proceeding;
2. None of the parties above have been subject to the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.
3. None of the parties above have been subject to a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated.
4. None of the parties above have been subject to the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

**xii. The issuer's most recent balance sheet and profit and loss and retained earnings statements;**

Financial statements are included in this document.

On an ongoing basis, the issuer plans to provide quarterly financial reports within 45 days of the quarter's end, as well as annual financial reports within 90 days of the fiscal year's end. The issuer plans for such financial statements to be prepared in accordance with U.S. generally accepted account principles (U.S. GAAP), and shall either be audited or contain certification by the Company's financial principal.

**xiii. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence;**

Financial statements are included in this document.

On an ongoing basis, the issuer plans to provide quarterly financial reports within 45 days of the quarter's end, as well as annual financial reports within 90 days of the fiscal year's end. The issuer plans for such financial statements to be prepared in accordance with U.S. generally accepted account principles (U.S. GAAP), and shall either be audited or contain certification by the Company's financial principal.

**xvi. Whether any quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, or at the request of any promoter for the issuer, and, if so, the name of such person, and the basis for any exemption under the federal securities laws for any sales of such securities on behalf of such person.**

Not applicable, the issuer's quotation was being published prior to the date of this document.

**IMPORTANT INFORMATION - PLEASE NOTE  
REGARDING ENCLOSED FINANCIAL STATEMENTS**

BECAUSE THE OPERATING SUBSIDIARY, BIZACTIONS CORP., WAS NOT ACQUIRED BY BIZACTIONS, INC. UNTIL JUNE 28, 2006, THE FINANCIAL INFORMATION OF THE BIZACTIONS CORP. OPERATING SUBSIDIARY IS NOT INCLUDED IN THE BIZACTIONS, INC. QUARTERLY FINANCIAL REPORT.

HOWEVER, AS A SUPPLEMENT TO THE BIZACTIONS, INC. QUARTERLY FINANCIAL REPORT, UNAUDITED AND PRO-FORMA FINANCIAL INFORMATION OF BIZACTIONS CORP. HAS BEEN INCLUDED ON THE LAST TWO PAGES OF THIS DOCUMENT. THIS SUPPLEMENTAL INFORMATION HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTABLE ACCOUNTING PRINCIPLES.

ADDITIONALLY, SUBSEQUENT TO THE QUARTER ENDED JUNE 30, 2006, AS REFLECTED IN THE ENCLOSED FINANCIAL STATEMENTS, CHANGES IN CAPITAL STRUCTURE AND SHARES OUTSTANDING HAVE OCCURRED. FOR CURRENT INFORMATION AS OF AUGUST 24, 2006, PLEASE REFER TO THE 15c2-11 INFORMATION FOUND IN THIS DOCUMENT, AS WELL AS THE INFORMATION FOUND IN THE NOTES ACCOMPANYING THE FINANCIAL STATEMENTS.

# **BIZACTIONS, INC.**

## **FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2006**

-Financial Principal's Letter Regarding Financial Statements

-June 30, 2006 Quarterly Financial Statements and Accompanying Notes for BizAuctions, Inc.

-June 30, 2006 Pro-forma Financial Information for operating subsidiary BizAuctions Corp.

## CERTIFICATION

The financial information contained in this report is unaudited and is based upon present knowledge and belief. This information is believed to be correct and does not contain untrue statement of material fact and is in accordance with generally accepted accounting principles, consistently applied.

These financial statements and the notes hereto, fairly present in all material respects the financial condition, results of operations and cash flows for the six months ended June 30, 2006, and year-end, December 31, 2005, in conformity with generally accepted accounting principles in the United States, consistently applied.

The Issuer has duly caused this report to be signed and certified on its behalf by the undersigned, duly authorized, on this 10<sup>th</sup> Day of September, 2006.

/s/ Delmar Janovec

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Delmar Janovec  
President and Principal  
Financial Officer

**Conrad Nagel**  
**Certified Public Accountant**  
**6451-C El Camino Real**  
**Carlsbad, CA 92009**

Tel No. (760) 918-1860 ext. 111

Fax (760) 918-1855

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BizAuctions, Inc.  
Mr. Delmar Janovec, President  
3440 E. Russell Road, Suite 217  
Las Vegas, NV 89120

Dear Mr. Janovec,

I have compiled the accompanying consolidated balance sheets of BizAuctions, Inc. and its wholly-owned subsidiary (the "Company") as of June 30, 2006 and December 31, 2005, and the related consolidated statements of loss, changes in stockholders' equity and cash flows for six months and year then ended in accordance with Statements of Standards for Accounting and Review Services issue by the American Institute of Certified Public Accounts.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other for of assurance on them.

These financial statements have been prepared in accordance with generally accepted accounting principles.

I have participated in the decision making process regarding certain financial transactions and am therefore not independent.

In addition, I have compiled the accompanying balance sheet of BizAuctions Corp., as of June 30, 2006, and the related income statement for the six months then ended.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other for of assurance on them.

The financial statements of BizAuctions Corp. are presented on a pro-forma basis assuming the Company had not been acquired by BizAuctions, Inc., effective June 28, 2006. The statements have been provided as supplemental information and have not been prepared in accordance with generally accepted accounting principles.

/s/ Conrad Nagel

Conrad Nagel  
September 10, 2006  
Carlsbad, CA

**BizAuctions, Inc.**  
(formerly Kootenai Corp.)

**CONSOLIDATED BALANCE SHEETS**

	<b>June 30, 2006 (unaudited)</b>	<b>December 31, 2005 (unaudited)</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 440	\$ ---
Due from affiliate (Note C )	73,541	---
Inventory (Note D)	10,384	---
<b>TOTAL CURRENT ASSETS</b>	<b>84,365</b>	<b>---</b>
		---
<b>TOTAL ASSETS</b>	<b>\$ 84,365</b>	<b>\$ ---</b>
 <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES:</b>		
Note payable (Note E )	\$ 11,800	\$ 11,200
Accounts payable and accrued expenses	95,571	95,571
Due to affiliate (Note F )	83,402	---
<b>TOTAL CURRENT LIABILITIES</b>	<b>190,773</b>	<b>106,771</b>
 <b>STOCKHOLDERS' DEFICIT (Note F):</b>		
Preferred stock, \$.001 par value; 500,000 shares authorized; no shares issued and outstanding, no liquidation value	---	---
Preferred stock - Series A convertible preferred stock, 20,000,000 shares authorized, voting rights 10 votes to one share of common – 12,000,000 and -0- , shares issued and issued and outstanding as of June 30, 2006, and December 31, 2005, respectively	12,000	---
Common stock, \$.001 par value; 500,000,000 shares authorized 50,099,959 and 49,959,000 shares issued and outstanding as of June 30, 2006, and December 31, 2005, respectively	50,100	50
Additional paid in capital	3,781,103	3,738,572
Retained deficit	(3,949,611)	(3,845,393)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>(106,408)</b>	<b>(106,771)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 84,365</b>	<b>\$ ---</b>

(The accompanying notes are an integral part of these financial statements.)

**BizAuctions, Inc.**  
**(formerly Kootenai Corp.)**

**CONSOLIDATED STATEMENTS OF LOSS**  
**(Unaudited)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND THE YEAR**  
**ENDED DECEMBER 31, 2005**

	<u>June 30,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
Revenues	\$ ---	\$ ---
Cost of revenues	<u>---</u>	<u>---</u>
Gross loss	---	---
Operating expenses		
Selling, general and administrative expenses	35,000	220,296
Acquisition costs	68,618	---
Depreciation and amortization	<u>---</u>	<u>---</u>
Total operating expenses	<u>103,618</u>	<u>220,296</u>
Other income (expense):		
Interest income	---	---
Interest expense	<u>600</u>	<u>600</u>
Total other income and (expense)	(600)	(600)
Loss (Income) before tax	(104,218)	(220,896)
Income tax expense (Note )	<u>---</u>	<u>---</u>
Net loss	<u>\$ 104,218</u>	<u>\$ 220,896</u>
Net loss per common share (Note A) :		
Basic	<u>\$ 0.002</u>	<u>\$ 0.005</u>
Diluted	<u>\$ 0.002</u>	<u>\$ 0.005</u>
Weighted average common shares outstanding	<u>52,281,710</u>	<u>46,949,984</u>

(The accompanying notes are an integral part of these financial statements.)

**BizAuctions, Inc.**  
**(formerly Kootenai Corp.)**

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
**FROM DECEMBER 31, 2004 THROUGH JUNE 30, 2006**  
**(Restated for a 1 for 1,000 reverse split effective, June 27, 2006)**

	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Deficit	Total
	Shares	Amount	Shares	Amount			
Balances at December 31, 2004	---	\$ ---	47,756	\$ 48	\$ 3,518,325	\$ (3,624,497)	\$ (106,124)
Sale of shares and issuance of shares for services during 1995, valued at \$100.00 per share			2,203	2	220,247		220,249
Net loss for year ended December 31, 2005						(220,896)	(220,896)
Balances at December 31, 2005	---	---	49,959	50	3,738,572	(3,845,393)	(106,771)
Shares issued in-exchange for pay- off of Company debts of \$35,000, in February, 2005, valued at \$0.70 per share	---	---	50,000	50	34,950	---	35,000
Shares issued in the acquisition of BizAuctions, Corp. in June 2006, See Note A to Financial Statements	12,000,000	12,000	50,000,000	50,000	92,400	---	154,400
Loss on Acquisition of BizAuctions, Corp. in June 2006					(84,819)		(84,819)
Net loss for six months ended June 30, 2006	---	---	---	---	---	(104,218)	(104,218)
Balances at June 30, 2006	<u>12,000,000</u>	<u>12,000</u>	<u>50,099,959</u>	<u>\$ 50,100</u>	<u>\$ 3,781,103</u>	<u>\$ (3,949,611)</u>	<u>\$ (106,400)</u>

(The accompanying notes are an integral part of these financial statements)

**BizAuctions, Inc.**  
**(formerly Kootenai Corp.)**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND THE YEAR ENDED DECEMBER 31, 2005**

	<b>June 30. 2006 (unaudited)</b>	<b>December 31, 2005 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (104,218)	\$ (220,896)
Adjustment to reconcile net income to cash used in operating activities (Increase) decrease in:		
Loss on acquisition of subsidiary	(84,819)	
Inventory	(10,384)	
Common stock issued for payment to creditors	35,000	
Due from affiliate	(73,541)	
(Decrease) increase in :		
Notes payable	600	600
Due to affiliates	83,402	
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>153,960</b>	<b>220,296</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Common stock and preferred stock issued in acquisition of subsidiary	154,400	
Purchase of other assets		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>154,400</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the sale of common stock and stock issued to consultants		220,296
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>---</b>	<b>220,296</b>
<b>INCREASE (DECREASE) INCREASE IN CASH</b>	<b>440</b>	<b>---</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>---</b>	<b>---</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 400</b>	<b>\$ ---</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Preferred stock issued for acquisition of subsidiary Note ( A )	\$ 108,991	
Common stock issued for acquisition of subsidiary Note ( A )	45,409	
<b>CASH PAID FOR:</b>		
Interest	\$ ---	\$ --
Income taxes	\$ ---	\$ ---

(The accompanying notes are an integral part of these financial statements.)

**BizAuctions, Inc.**  
**(formerly Kootenai Corp.)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statement follows.

The consolidated financial statements include a company which is effectively controlled directly by the Parent Company, where control is defined as the power to govern the financial operation policies. This control is generally evidenced when the company directly or indirectly owns more than 50% of the voting rights of the company's share capital. Significant intercompany transactions have been eliminated in consolidation.

Inventory is valued at the lower of cost or market as of the respective balance sheet dates.

On June 15, 2006, the Company amended its Certificate of Incorporation for a 1,000:1 reverse stock split of its common stock, to become effective June 27, 2006.

The Company's parent, Net2Auction, Inc., gained control of the Company on or about June 23, 2006, as described below.

In June of 2006 (on or about June 23), the Company's parent, Net2Auction, Inc., purchased 50,000 shares (50,000,000 shares prior to the reverse stock split effected June 27, 2006) to gain a 50.02% ownership of BizAuctions, Inc. On June 27, 2006, the reverse stock split became effective whereby each shareholder received 1 share for each 1,000 shares owned. Common shares outstanding on June 27, 2006, after the reverse split, were 99,959. On June 28, 2006, the parent company, Net2Auction, Inc., acquired 12,000,000 shares of Series A Preferred stock and 50,000,000 post reverse split shares of common to gain a 99.9% ownership of the Company's outstanding common stock. In this transaction, the Company acquired 100% of BizAuctions Corp. from its parent NetAuction, Inc. The total value of the acquisition of BizAuctions Corp. was \$154,400. The allocation between the Series A Preferred stock and common stock resulted in approximately a 70.59% allocation of the total purchase price to the Series A Preferred stock, or \$108,991 after giving effect to the 10 to one conversion privilege. The allocation of the purchase price to common stock was 29.41% or a total cost of \$45,409.

As of June 30, 2006, and December 31, 2005, Net2Auction, Inc. ("Parent" or "Affiliates") controlled approximately 99.9 % and 0.0%, respectively, of the outstanding common stock of the Company.

On August 17, 2006, a forward stock split was effected whereby each shareholder of record received 2 shares of common stock for each share owned.

Business and Basis of Presentation

BizAuctions, Inc., was formed as a Delaware Corporation on May 5, 1995 as Topper's Brick Oven Pizza, Inc. The Company has undergone three subsequent name changes since its inception to its current name, BizAuctions, Inc. Incorporated at inception under the name of Topper's Brick Oven Pizza, Inc., changed to Famous Food Groups, Inc., then to Kootenai Corp., and to the current name of BizAuctions, Inc.

**BizAuctions, Inc.**  
**(formerly Kootenai Corp.)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

BizAuctions, Inc., is a prime provider of commercial eBay liquidation services for excess inventory, overstock items, and returns. In providing this service, BizAuctions addresses the inventory problem for clients by sending trucks to pick up pallets of excess inventory, selling the inventory on eBay, and collecting payment. The inventory can be acquired either by purchase or on a consignment basis.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the company considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Income Taxes

The Company has adopted Financial Accounting Standard No. 109 (SFAS 109) which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

Net Loss Per Common Share

The Company computes earnings per share under Financial Accounting Standard No. 128, "Earnings Per Share" (SFAS 128). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the year. Dilutive common stock equivalents consist of shares issuable upon conversion of convertible preferred shares. During the six months ended June 30, 2006, and December 31, 2005, common stock equivalents are not considered in the calculation of the weighted average number of common shares outstanding because they would be anti-dilutive, thereby decreasing the net loss per common share.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates.

Revenue Recognition

Revenue for product sales is recognized at the time the product is shipped to or picked up by the customer.

**BizAuctions, Inc.**  
**(formerly Kootenai Corp.)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Advertising

The Company follows the policy of charging the costs of advertising to expenses as incurred. For the periods ended June 30, 2006, and December 31, 2005, advertising costs were not material to the statement of income.

Liquidity

As shown in the accompanying financial statements, the Company has incurred a net loss of (\$104,218) and (\$220,896) during the six months ended June 30, 2006, and year ended December 31, 2005, respectively. As of June 30, 2006, the Company had negative working capital of (\$106,408).

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and related party receivables. The Company places its cash and temporary cash investments with credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

Stock Based Compensation

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS 123." This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the fair market value of the Company's stock at the date of the grant over the exercise price of the related option. The Company has adopted the annual disclosure provisions of SFAS No. 148 in its financial reports for the periods ended June 30, 2006, and December 31, 2005, respectively.

Comprehensive Income

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130), establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The Company

**BizAuctions, Inc.**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

adopted SFAS 130 during the periods ended June 30, 2006, and December 31, 2005, and has no items of comprehensive income to report.

Segment Information

Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (SFAS 131) establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. SFAS 131 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making a decision to show allocated resources and assess performance. The information disclosed herein, materially represents all of the financial information related to the Company's principal operating segment.

New Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board (FASB) issued SFAS 151, INVENTORY COSTS-- AN AMENDMENT OF ARB NO. 43, CHAPTER 4. This Statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that ". . . under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and re-handling costs maybe so abnormal as to require treatment as current period charges..." This Statement requires those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This Statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Management does not believe the adoption of this Statement will have any immediate material impact on the Company.

In December 2004, the FASB issued SFAS No.152, "Accounting for Real Estate Time-Sharing Transactions--an amendment of FASB Statements No. 66 and 67" ("SFAS 152) The amendments made by Statement 152 This Statement amends FASB Statement No. 66, Accounting for Sales of Real Estate, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, Accounting for Real Estate Time-Sharing Transactions. This Statement also amends FASB Statement No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects, to state that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005, with earlier application encouraged. The Company does not anticipate the implementation of this standard will have a material impact on its financial position, results of operations or cash flows.

**BizAuctions, Inc.**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

On December 16, 2004, the Financial Accounting Standards Board ("FASB") published Statement of Financial Accounting Standards No. 123 (Revised 2004), SHARE-BASED PAYMENT ("SFAS 123R"). SFAS 123R requires that compensation cost related to share-based payment transactions be recognized in the financial statements. Share-based payment transactions within the scope of SFAS 123R include stock options, restricted stock plans, performance-based awards, stock appreciation rights, and employee share purchase plans. The provisions of SFAS 123R are effective as of the first interim period that begins after June 15, 2005. Accordingly, the Company has implemented the revised standard in the third quarter of fiscal year 2005. Currently, the Company accounts for its share-based payment transactions under the provisions of APB 25, which does not necessarily require the recognition of compensation cost in the financial statements. Management is assessing the implications of this revised standard, which may materially impact the Company's results of operations in the third quarter of fiscal year 2005, and thereafter.

On December 16, 2004, FASB issued Statement of Financial Accounting Standards No. 153, EXCHANGES OF NONMONETARY ASSETS, AN AMENDMENT OF APB OPINION NO. 29, ACCOUNTING FOR NONMONETARY TRANSACTIONS ("SFAS 153"). This statement amends APB Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. Under SFAS 153, if a nonmonetary exchange of similar productive assets meets a commercial-substance criterion and fair value is determinable, the transaction must be accounted for at fair value resulting in recognition of any gain or loss. SFAS 153 is effective for nonmonetary transactions in fiscal periods that begin after June 15, 2005. The Company does not anticipate the implementation of this standard will have a material impact on its financial position, results of operations or cash flows.

Note B – ACQUISITION

On June 28, 2006, the Company entered into a purchase agreement ("Agreement") with Net2Auction, Inc. to acquire a 100% interest in BizAuctions Corp., and issued to its parent, Net2Auction, Inc. 50,000,000 shares of restricted common stock and 12,000,000 shares of Series A Preferred stock.

Note C – DUE FROM AFFILIATES

Due from affiliate is comprised of balances due from its parent, Net2Auction, Inc.

Note D - INVENTORY

Inventory consists of unsold merchandise purchased from retailers for re-sale on Internet outlets. Inventory is valued at the lower of cost or market.

**BizAuctions, Inc.**  
**(formerly Kootenai Corp.)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

NOTE E – LOAN

In May of 2003, the Company issued a convertible note payable to an officer of the Company. The note plus accrued interest was convertible into common stock of the Company at \$0.003, per share. In July of 2006, the note was converted into 3,933,333 shares of common stock.

NOTE F – RELATED PARTY TRANSACTIONS

The Company has been financed primarily by advances from its affiliates, AmeriResource Technologies, Inc., and from the sale of restricted common stock. As of June 30, 2006, the Company owes AmeriResource Technologies, Inc. \$83,402.

On June 28, 2006, the Company purchased 100% of its subsidiary, BizAuctions Corp., from its parent, Net2Auction, Inc., by issuing 50,000,000 shares of its common stock and 12,000,000 shares of its Series A Preferred stock. The total value of the transactions was \$154,400.

NOTE G– STOCKHOLDERS' DEFICIT

Preferred Stock

The Company is authorized to issue 500,000 shares of Preferred stock, and 20,000,000 shares of Series A Preferred stock. The Company's preferred stock may be divided into such series as may be established by the Board of Directors.

The Series A Preferred stock is convertible at the option of the holder into common stock at the rate of 10 shares of common for every one share of Series A Preferred. Each share of Series A Preferred stock has voting rights equal to ten shares of common stock.

As of June 30, 2006, the Company has 12,000,000 shares of the Series A Preferred stock outstanding.

Common Stock

The Company is authorized to issue 500,000,000 shares of common stock with a par value of \$.001 per share. As of June 30, 2006, the Company has issued and has outstanding 50,099,959 shares of common stock.

NOTE H - INCOME TAXES

The Company has adopted Financial Accounting Standard No. 109 which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

**BizAuctions, Inc.**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

NOTE H – INCOME TAXES (CONTINUED)

At December 31, 2005, the Company has available for federal income tax purposes a net operating loss carryforward of approximately \$3,900,000 expiring in the year 2025, that may be used to offset future taxable income. The Company has provided a valuation reserve against the full amount of the net operating loss benefit, since in the opinion of management based upon the start-up status of the Company, the tax benefits will not be recognized until income is realized. Due to significant changes in the Company's ownership, the future use of its existing net operating losses may be limited.

Components of deferred tax assets as of December 31, 2005 are as follows:

Non Current:	
Net operating loss carryforward	\$ 950,000
Valuation allowance	(950,000)
	-----
Net deferred tax asset	\$ --
	=====

Note I – SUBSEQUENT EVENTS

On August 21, 2006, the Company's parent company, Net2Auction, Inc., resolved to cancel 27,000,000 of its BizAuctions, Inc. common shares held. Concurrently on August 21, 2006, the Company resolved to cancel the 27,000,000 shares held by its parent Net2Auction, Inc. These resolutions decreased the Company's outstanding common stock to approximately 81,067,626 as of August 21, 2006.

On August 17, 2006, the Company completed a forward 2 for 1 stock split. The forward split increased the Company's outstanding common stock to approximately 108,067,626 shares outstanding as of the effective date of the forward split.

In July, 2006, the convertible note payable for \$11,800 (including \$1,800 of accrued interest) was converted into 3,933,333 shares of common stock.

Effective June 28, 2006, the Company obtained approval for a promissory note in the amount of \$125,000. The note which bears interest at the rate of 10% is convertible into common stock of the Company at a ratio of \$0.01 per share. If the note is not paid off on or before the maturity date of June 28, 2008, the note plus accrued interest may be converted into common stock at the option of the lender after the note maturity date. If the note is paid off on or before the maturity date, minimum interest charges of \$25,000 will apply. No interest or principal payments are due prior the maturity date of June 28, 2008. The principal amount of the note, \$125,000, was drawn from the lender by the Company on July 10, 2006. An officer of the company is liable as a co-signer on the note.

## NOTE J - GOING CONCERN

The accompanying consolidated statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the financial statements during the 6 months ended June 30, 2006, and the year ended December 31, 2005, the Company incurred a loss from operations of (\$104,218) and (\$220,896) respectively, and has not obtained profitable operation under its current operating plan. This may indicate the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon advances from its parent, Net2Auction, Inc. and affiliates, AmeriResource Technologies, Inc., and the sale of additional investment stock, and management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity through the continued developing, marketing, and selling of its products, and additional equity investments in the Company. The accompanying financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern. In order to improve the Company's liquidity, the Company is actively pursuing additional equity financing through discussions with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing.

If operations and cash flows continue to improve through these efforts, management believes that the Company can continue to operate and achieve profitability. However, no assurance can be given that management's actions will result in profitable operations or the resolution of its liquidity problems.

## SUPPLEMENTAL INFORMATION

### BIZACTIONS CORP. (OPERATING SUBSIDIARY ACQUIRED JUNE 28, 2006)

#### BALANCE SHEET (UNAUDITED) (PRO-FORMA)

JUNE 30, 2006

#### ASSETS

##### CURRENT ASSETS:

Cash	\$	440
Inventory		10,384
TOTAL CURRENT ASSETS		<u>10,824</u>

TOTAL ASSETS

\$ 10,824

#### LIABILITIES AND STOCKHOLDER'S DEFICIT

##### CURRENT LIABILITIES:

Due to parent and affiliate		134,990
TOTAL CURRENT LIABILITIES		<u>134,990</u>

##### STOCKHOLDER'S DEFICIT:

Common stock		10,000
Stock subscriptions receivable		(10,000)
Retained earnings		(124,166)
TOTAL STOCKHOLDER'S DEFICIT		<u>(124,166)</u>

TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT

\$ 10,824

See Accountant's Report

## SUPPLEMENTAL INFORMATION

### BIZACTIONS CORP. (OPERATING SUBSIDIARY ACQUIRED JUNE 28, 2006)

#### STATEMENT OF LOSS (UNAUDITED) (PRO-FORMA) FOR THE SIX MONTHS ENDED JUNE 30, 2006

Revenues	\$	74,958
Cost of revenues		<u>71,695</u>
Gross margin		3,263
Operating expenses		
Selling, general and administrative expenses		<u>127,429</u>
Total operating expenses		<u>127,429</u>
Net loss	\$	<u>(124,166)</u>

See Accountant's Report