



**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2008  
&  
DECEMBER 31, 2007**

-Financial Principal's Letter Regarding Financial Statements

-2008 and 2007 Year-End Financial Statements and Accompanying Notes

## 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 two years ended December 31, 2008, and December 31, 2007, 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 15<sup>th</sup> Day of May, 2009.

/s/ Delmar Janovec

Delmar Janovec  
President and Principal  
Financial Officer

**CROUCH & ASSOCIATES  
1453 SOUTH MAJOR STREET  
SALT LAKE CITY, UTAH 84115**

May 14, 2009

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 December 31, 2008, and December 31, 2007, and the related consolidated statements of loss, changes in stockholders' deficit and cash flows for the years then ended in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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 form of assurance on them.

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

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

/s/ Brent Crouch

Brent Crouch  
May 14, 2009  
Salt Lake City, Utah

BIZAUKCTIONS, INC.  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	December 31, 2008 (unaudited)	December 31, 2007 (unaudited)
<b>ASSETS:</b>		
Current Assets:		
Cash	\$ 57,745	\$ 108,859
Inventory-(Note D)	145,919	101,497
Accounts receivable	23,259	
Note receivable-(Note H)	10,000	10,000
Due from affiliates-(Note C)	15,252	3,600
Total Current Assets	252,175	223,956
Plant, Property and Equipment (net)	71,473	85,845
Deposits	24,971	22,240
Total Assets	\$ 348,619	\$ 332,041
 <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 434,709	\$ 138,047
Note Payable - related party-(Note F)	72,000	115,000
Note Payable-(Note G)	215,000	225,000
Due to affiliates-(Note E)	316,724	157,560
Total Current Liabilities	1,038,433	635,607
Contingencies and commitments-(Note J)	95,571	95,571
Total Liabilities	\$ 1,134,004	\$ 731,178
 <b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, \$.001 par value; 500,000 shares authorized no shares issued and outstanding, no liquidation value		
Preferred stock - Series A convertible stock, 20,000,000 shares authorized; voting rights - 10 votes to one share of common; 9,000,000 and 12,000,000 issued and outstanding	9,000	12,000
Common stock, \$.001 par value; 500,000,000 shares authorized; 151,805,281 and 101,657,281 issued and outstanding at December 31, 2008 and December 31, 2007	151,806	101,658
Additional paid-in Capital	4,914,221	4,853,345
Subscription receivable		
Retained deficit	(5,860,412)	(5,366,140)
Total Stockholders' Deficit	(785,385)	(399,137)
Total Liabilities and Stockholders' Deficit	\$ 348,619	\$ 332,041

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

BIZAUCTIONS, INC.  
CONSOLIDATED STATEMENT OF LOSS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(unaudited)

	December 31, 2008	December 31, 2007
Revenues	\$ 3,396,295	\$ 2,771,391
Cost of goods sold	2,558,238	2,541,047
Gross profit	<u>838,057</u>	<u>230,344</u>
Operating expenses:		
Selling, general and administrative expenses	704,776	982,220
Depreciation and amortization	<u>20,348</u>	<u>8,720</u>
Total operating expenses	725,124	990,940
Other income and expenses:		
Interest expense	<u>176,481</u>	<u>113,807</u>
Loss before tax and extraordinary items	(63,548)	(874,403)
Loss on obsolete inventory	(430,724)	
Income tax expenses	<u>-</u>	<u>-</u>
Net loss	<u>\$ (494,272)</u>	<u>\$ (874,403)</u>
Net loss per common share	\$ (0.00)	\$ (0.01)
Weighted average common shares outstanding	135,740,973	100,670,069

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

BIZACTIONS, INC.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT

FROM DECEMBER 31, 2005 TO DECEMBER 31, 2008

(Restated for a 1 for 1,000 reverse split effective June 27, 2006; and a 2 for 1 forward split effective August 17, 2006)

(unaudited)

	Preferred stock		Common Stock		Additional Paid-in Capital	Retained Deficit	Subscription Receivable
	Shares	Amount	Shares	Amount			
Balance at December 31, 2005	-	-	100,960	\$ 101	\$ 3,738,521	\$ (3,845,393)	-
Shares issued in exchange for pay-off of Company debts of \$35,000. February 2006; valued at \$.70 per share			100,000	100	34,900		
Shares issued in the acquisition of BizAuctions, Corp. in June 2006	12,000,000	12,000	100,000,000	100,000	42,400		
Loss on acquisition of BizAuctions, Corp - June 2006					(84,819)		
Conversion of note for restricted stock			7,866,666	7,867	3,933		
Shares cancelled by parent			(27,000,000)	(27,000)	27,000		
Subscription agreement			5,150,000	5,150	769,850		(775,000)
Net loss for the year ended December 31, 2006						(646,344)	
Balance at December 31, 2006	12,000,000	\$ 12,000	86,217,626	\$ 86,218	\$ 4,531,785	\$ (4,491,737)	(775,000)
Conversion of note for restricted stock (Net2Auction)			1,250,000	1,250	256,250		
Restricted shares issued for services rendered at inception - at par			13,000,000	13,000			
Collection of subscription agreement							775,000
Restricted stock issued for cash			939,655	940	49,060		
Restricted shares issued for services rendered			250,000	250	16,250		
Net loss for the year ended December 31, 2007						(874,403)	
Balance at December 31, 2007	12,000,000	\$ 12,000	101,657,281	\$ 101,658	\$ 4,853,345	\$ (5,366,140)	\$ -
Restricted shares issued for services rendered			2,148,000	\$ 2,148	\$ 15,876		
Conversion of note for restricted stock-related party			8,000,000	\$ 8,000	\$ 72,000		
Conversion of preferred stock into restricted common	(3,000,000)	\$ (3,000)	30,000,000	\$ 30,000	\$ (27,000)		
Conversion of note for common stock			10,000,000	\$ 10,000			
Net loss for the year ended December 31, 2008						(494,272)	
Balance at December 31, 2008	9,000,000	\$ 9,000	151,805,281	\$ 151,806	\$ 4,914,221	\$ (5,860,412)	\$ -

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

BIZAUCTIONS, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007  
(unaudited)

	<u>December 31,</u> <u>2008</u>	<u>December 31,</u> <u>2007</u>
Cash flows from operating activities:		
Net Loss	\$ (494,272)	\$ (874,403)
Adjustment to reconcile net loss to cash used in operations:		
Stock issued to pay expenses (company and affiliates)	297,622	471,979
Depreciation	20,348	8,720
Change in operation accounts:		
Accounts payable	(18,506)	119,414
Inventory	(44,422)	846
Note receivable		(10,000)
Accounts receivable	(23,259)	
	<u>(262,489)</u>	<u>(283,444)</u>
Cash flows from investing activities:		
Purchase of assets	<u>(5,976)</u>	<u>(2,792)</u>
Cash flows from financing activities:		
Proceeds from the sale of common stock		825,000
Proceeds (payments) from loans - affiliates	217,351	(558,188)
Proceeds from loans		100,000
	<u>217,351</u>	<u>366,812</u>
Increase (decrease) in cash	(51,114)	80,576
Cash - Beginning of the year	108,859	28,283
Cash - End of the year	<u>\$ 57,745</u>	<u>\$ 108,859</u>
Supplemental disclosure of non-cash investing and financing activities:		
Cash paid for:		
Interest	\$ 25,000	

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

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

**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.

In May of 2006, the Company's former parent, Green Endeavors LTD., formerly Net2Auction, Inc., purchased 50,000 shares (50,000,000 shares prior to the pre-reverse stock split on June 27, 2006) to gain a 50.02% ownership of BizAuctions, Inc. On June 27, 2006, the Company had a reverse stock split whereby each shareholder received 1 share for each 1,000 shares owned. On June 28, 2006, the former parent company, Green Endeavors LTD., acquired 50,000,000 post reverse split shares 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. This transaction was valued at \$154,400 or \$0.003 per share.

As of December 31, 2008, and December 31, 2007, AmeriResource Technologies, Inc. ("Parent" or "Affiliates") controlled approximately 59% and 62%, respectively, of the outstanding common stock of the Company. Upon conversion of the Series A Preferred stock would give the Parent approximately 74% and 81% voting control of the Company.

Effective August 17, 2006, a forward stock split was effective 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.

BizAuctions has established itself as a leader within the eBay marketplace through its online auctions of well known name brand merchandise. Our designation on eBay as a Power-Seller ranks us amongst the most successful leaders on eBay in terms of sales and customer satisfaction. With a worldwide audience of approximately 250 million registered users, eBay provides us a well known and established forum to market and sell our merchandise for top dollar in a competitive bidding format.

BizAuctions strategy is that of the most basic of economic principles: Buy low and sell high. We have contracted with retailers that are leaders in their industry to purchase salvaged merchandise at a discount and sell for a profit on eBay. This salvaged merchandise is generally overstock inventory, display models, and customer returns. We sell everything from quality home goods and brand name clothes to high-tech electronics. We list the merchandise through software which is fully integrated and

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF ACCOUNTING POLICIES–(CONTINUED)

Business and Basis of Presentation-(Continued)

compliant with eBay. Once an auction ends, payment is collected via PayPal or credit card. We have our own designated Account Executives with both eBay and PayPal to help the Company achieve its highest potential.

BizAuctions sales volume and revenue has increased since the inception, as the Company has capitalized on the constant demand of a loyal and growing customer base. BizAuctions customers are excited to be able to purchase top of the line merchandise at a discount from retail prices. It is a winning combination that keeps the Company well positioned, especially during time of economic turbulence in the marketplace.

BizAuctions operates out of San Diego, CA. and is currently providing liquidation services to retailers in California, Arizona, and Colorado, and is in the process of expanding into other states. Over the past several years, we have created and refined an efficient business model that will allow for expansion and growth in the years ahead. The current operational capacity has the ability to handle much more business that is limited only to the Company purchasing power. Our goal is to have operations strategically placed throughout the U.S. to accommodate our growth and demand for BizAuctions products and services.

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 years ended December 31, 2008, and December 31, 2007, 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.

**BizAuctions, Inc.**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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.

Advertising

The Company follows the policy of charging the costs of advertising to expenses as incurred. For the years ended December 31, 2008, and December 31, 2007, advertising costs were not material to the statement of operations.

Liquidity

As shown in the accompanying financial statements, the Company has incurred a net loss of \$ 494,272 and \$874,403 during the years ended December 31, 2008, and December 31, 2007, respectively. As of December 31, 2008, the Company had negative working capital of \$786,258.

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 years ended December 31, 2008, and December 31, 2007.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

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 adopted SFAS 130 during the periods ended December 31, 2008, and December 31, 2007, 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 decision show to allocate 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 February 2006, the FASB issued Statement of Financial Accounting Standards No. 155, *Accounting for Certain Hybrid Financial Instruments* ("SFAS No. 155"), which amends Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments and Hedging Activities* ("SFAS No. 133") and Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SFAS No. 140"). SFAS No. 155 permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or hybrid financial instruments containing embedded derivatives. The Company does not expect the adoption of SFAS 155 to have a material impact on the consolidated financial position, results of operations or cash flows.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement No. 109" (FIN 48), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that we recognize in our financial statements the benefit of a tax position if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provision's of FIN 48 become effective as of the beginning of our 2008 fiscal year, with the cumulative effect of the change in accounting principle record as an adjustment to opening retained earnings. We do not expect the adoption of FIN 48 to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

New Accounting Pronouncements-(Continued)

In September 2006, the FASB issued SFAS NO. 157 "Fair Value Measurements". SFAS No. 157 defined fair values established a framework for measuring fair value in generally accepted accounting principles and expand disclosure about fair value in generally accepted accounting principles and expands disclosure about fair values. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within these fiscal years. Management believes that the adoption of SFAS No. 157 will not have a material impact on the consolidated financial results of the Company.

In September 2006, the Securities and Exchange Commission issued State Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements", (SAB 108), which addresses how to quantify the effect of financial statement errors. The provisions of SAB 108 become effective as of the year ended 2007, our fiscal year. We do not expect the adoption of SAB 108 to have a significant impact on the financial statements.

SFAS No. 141(R). In December 2007, the FASB issued SFAS No. 141 (Revised 2007), Business Combinations. SFAS No. 141(R) will significantly change the accounting for business combinations. Under SFAS No. 141(R), an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition-date fair value with limited exceptions. It also amends the accounting treatment for certain specific items including acquisition costs and non controlling minority interests and includes a substantial number of new disclosure requirements. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after January 1, 2009. The Company is currently evaluating the impact that the SFAS No. 141(R) will have on its financial statements.

SFAS No. 160. In December 2007, the FASB issued SFAS No. 160, "Non controlling Interests in Consolidated Financial Statements" - An Amendment of ARB No. 51. SFAS No. 160 establishes new accounting and reporting standards for the non controlling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this statement requires the recognition of a non controlling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the non controlling interest will be included in consolidated net income on the face of the income statement. SFAS No. 160 also includes expanded disclosure requirements regarding the interests of the parent and its non controlling interest. SFAS No. 160 is effective for fiscal years, and interim periods beginning after January 1, 2009. The Company is currently evaluating the impact that the SFAS No. 160 will have on its financial statements.

SFAS No. 161. In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities-an amendment of FASB Statement No. 133" ("FAS 161"). FAS 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. The guidance in FAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. This Statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. The Company is currently assessing the impact of FAS 161.

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(Unaudited)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE B – ACQUISITION

On June 28, 2006, the Company entered into a purchase agreement ("Agreement") with Green Endeavors LTD., formerly Net2Auction, Inc., to acquire a 100% interest in BizAuctions, Corp. for the issuance of Fifty (50,000,000) million shares of common restricted stock.

NOTE C – DUE FROM AFFILIATES

Due from affiliate is comprised of balances due from its affiliates or parent, in the amount of \$15,252, at December 31, 2008.

NOTE D – INVENTORY

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

NOTE E – RELATED PARTY TRANSACTIONS

The Company has been financed primarily by advances from its Parent Company and affiliates, and from the sale of restricted common stock. As of December 31, 2008, the Company owes its Parent and its affiliates \$316,724.

On June 28, 2006, the Company purchased 100% of Green Endeavors LTD., formerly Net2Auction, Inc.'s subsidiary, BizAuctions, Corp. for the issuance of Fifty (50,000,000) million shares of its common restricted stock. The total value of the transactions was \$154,400.

NOTE F – NOTES PAYABLE-RELATED PARTY

At December 31, 2008 and December 31, 2007, the Company had notes payable to an officer of the Company in the amount of \$57,000, and \$100,000, respectively. The note is payable on demand and is non-interest bearing.

At December 31, 2008, and December 31, 2007, the Company had notes payable to Brent Crouch, an officer in the amount of \$15,000, and \$15,000, respectively. The note is payable on demand and interest of 9% and is convertible into common stock, at the option of the note holder.

NOTE G – NOTES PAYABLE

On June 28, 2006, the Company borrowed \$125,000 from an investor through a Convertible Promissory Note. The note which bears interest at the rate of 10% per year is convertible into common stock of the Company at a ratio of \$0.01 per share. The note plus accrued interest may be converted into common stock at the option of the lender after the note maturity date of June 28, 2008. No interest or principal payments are due prior the maturity date. An officer of the company is liable as a co-signer on the note.

The Company entered into a promissory note on July 9, 2007 in the amount of \$100,000 with note due on August 24, 2007. The note had been extended to November 30, 2007. Interest has been paid through September 1, 2007 in the amount of \$32,500 and accrues at \$611.11 per day.

**BizAuctions, Inc.**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – NOTES PAYABLE-(CONTINUED)

An officer of the company is liable as a consigner on the note and had pledged his personal stock as collateral for the note. The note is currently being converted into common stock of the Company pursuant to the terms of the note with a payment made in the amount of \$10,000 in October of 2008.

NOTE H – NOTE RECEIVABLE

The Company made a loan on August 10, 2007 and in the amount of \$10,000 to Candwich, Inc. with an interest charge of \$500.00 with note being due on or before October 10, 2007. The note has been extended to June 30, 2009 with additional interest due of \$1,750.00

NOTE I– STOCHOLDERS’ DEFICIT

Preferred Stock

The Company is authorized to issue 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 after one year from the date of issuance each share of Series A Preferred stock has the voting rights equal to ten shares of common stock.

As of December 31, 2008, and December 31, 2007, respectively, the Company had 9,000,000 and 12,000,000 shares of Series A Preferred stock outstanding:

Issuances of preferred stock during the year-ended December 31, 2008:

AmeriResource Technologies, Inc. converted 3,000,000 shares of Series A Preferred stock into common stock during the third quarter of 2008.

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 December 31, 2008, and December 31, 2007, the Company has issued and has outstanding, 151,805,281 and 101,658,281 shares of common stock.

Issuances of common stock during the year-ended December 31, 2008:

In August the Company issued 30,000,000 shares of common stock to an affiliate Company upon notice from the affiliate to convert 3,000,000 shares of Series A Preferred stock into common stock.

In August the Company issued 8,000,000 shares of restricted common stock at a value of \$0.01 cents per share, to an officer of the Company for the conversion of debt owed to an officer in the amount of \$80,000.

In August the Company issued 1,300,000 shares of restricted common stock at \$0.01 cents per share, for consulting services rendered to the Company.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I– STOCHOLDERS’ DEFICIT-(CONTINUED)

In September the Company issued 464, 000 shares of restricted common stock at \$0.01 cents per share, for consulting services rendered to the Company.

In September the Company issued 234,000 shares of restricted common stock at par value, \$.01 cents per share, for consulting services rendered to the Company.

In October the Company issued 10,000,000 shares of common stock for the partial conversion of a note payable at \$0.001cents per share.

In December the Company issued 150,000 shares of restricted common stock at \$.01 cents per share for consulting services rendered to the Company.

Issuances of common stock during the year-ended December 31, 2007:

In September the Company issued 939,655 shares of restricted common stock valued at \$.053 cents per share through a subscription agreement to accredited investors.

In September the Company issued 200,000 shares of restricted common stock valued at par value per share for consulting services rendered to the Company.

In February, the Company issued 13,000,000 shares of restricted common stock, at par value, to consultants and an officer of the Company, for services rendered to the Company.

In February, the Company issued 1,250,000 shares of common restricted stock valued at \$0.20, per share, in exchange for payment of debt for its parent company Net2Auction, in the amount of \$257,500.

NOTE J – COMMITMENTS AND CONTINGENCIES

BizAuctions, Inc. and Net2Auction Corporation moved its office/warehouse to 1510 Corporate Center Drive, San Diego, California, 92154 on or about August 27, 2006. Net2Auction Corporation and BizAuctions entered into a Lease Agreement (“Lease”) with Mars Enterprises, Inc. for the premises located at 1510 Corporate Center Drive, San Diego California. The premise governed by the lease is a freestanding industrial office-warehouse space consisting of approximately 20,193 square feet. The Lease term is three (3) years and three (3) months and the lease will terminate on October 17, 2009, with an option for an additional two (2) years, and at the following sq. ft. prices;

1510 Corporate Center Drive from July 18, 2006 through July 31, 2007 is \$12,115.80 with cam charges of \$3,231.

1510 Corporate Center Drive from August 1, 2007 through July 31, 2008 is \$12,540 with cam charges of \$3,231.

1510 Corporate Center Drive from August 1, 2008 through October 17<sup>th</sup>, 2009 is \$12,979 with cam charges of \$3,231.

Option Years

1510 Corporate Center Drive from October 17, 2009 through October 17, 2010 is \$13,433 with cam charges of \$3,231.

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**(formerly Kootenai Corp.)**  
(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J – COMMITMENTS AND CONTINGENCIES-(CONTINUED)

1510 Corporate Center Drive from October 17, 2010 through October 17, 2011 is \$13,903 with cam charges of \$3,231.

The Lease was guaranteed by Delmar Janovec and Brent Crouch.

The Company has made a security deposit on the leases totaling \$22,240. Minimum future rental payments through the term of the lease in calendar year 2009 are \$162,210.

Rent expense totaled \$190,537, and \$185,002 respectively, during the years ended December 31, 2008, and December 31, 2007.

Related to the purchase of assets the Company issued 1,500,000 shares of restricted common stock. The Company has guaranteed the seller that the common stock will have a value of no less than \$50,000 at the end of one year from the date of sale which was November 2, 2004. In the event of a deficiency in the value of the stock below the guaranteed value of \$50,000, the Company is obligated to make up the difference in cash or in issuance of additional stock.

The Company recorded contingencies in the amount of \$95,571 that consisted of trade payables for various vendors owed by the Company. These trade payables were accrued more than seven years ago (beyond the statute of limitations in most states) or prior to the Company acquiring the subsidiary.

NOTE K-LEGAL

David Levitt, Plaintiff vs. BizAuctions, Corp, a Nevada corporation, BizAuctions, Inc., a Delaware corporation, Green Endeavors, LTD, a Delaware corporation, AmeriResource Technologies, Inc., a Delaware corporation, and Delmar Janovec, an individual. The complaint was filed on October 8, 2008, in the Superior Court of the State of California, County of San Diego-South County Division, Case No. 37-2008-00073539-CU-QE-SC. The complaint is for breach of contract regarding issuance of restricted stock for services rendered, failure to pay minimum wages, overtime wages, and reimbursement for business expenses and other benefits, as well as attorney fees and expenses. The Company and defendants have denied all allegations in the complaint and is vigorously defending its position on the matter.

Don Davidson, Plaintiff vs. BizAuctions Corporation and Delmar Janovec; The plaintiff filed a complaint in 21<sup>st</sup> Judicial Circuit Court, St. Louis County, Missouri, Case Number 08SL-CC00079, in October of 2008. The complaint was filed for breach of a contract for a failure to repay a loan in the amount of \$100,000, plus interest, legal, and court fees. The company and Delmar Janovec are in discussions with the Plaintiff on a settlement agreement or repayment plan. The loan is currently being converted into common stock pursuant to the terms of the note.

David Stark, Plaintiff vs. Net2Auction, Inc., a Delaware corporation, Net2Auction Corporation, a Nevada corporation, Delmar Janovec, an individual, Justin Keener, an individual, and Kevin Woltjen, an individual, and d/b/a Woltjen Law Firm. The plaintiff filed a complaint on March 28, 2006, in the Superior Court of California, San Diego County, Case No. 862855, against the defendants for breach of contract, fraud, promise made without intent to perform, conspiracy, and breach of implied covenant of

**BizAuctions, Inc.**  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE K-LEGAL-(CONTINUED)

good faith and fair dealing, misrepresentation, negligent misrepresentation of fact relating to compensation earned by Stark under a consulting agreement entered into between Stark and the Company. Stark is seeking injunctive relief and compensatory, punitive, and general damages against the Company. The Company denied all allegations in the complaint and vigorously defended its position on the matter with the Party's reaching a settlement outside of the Courts in May of 2006 with a Dismissal in Court, without prejudice, for the Company, Justin Keener, Kevin Woltjen and d/b/a/ Woltjen Law Firm, and Delmar Janovec.

Jacques R. Behar, Plaintiff vs. AuctionWagon Inc., a California corporation; The plaintiff filed a complaint in Superior Court of California, County of Los Angeles, Beverly Hills Courthouse, West District, Case Number, 05C00539. The complaint was filed for the collection of fees associated for accounting services in the approximate amount of \$9,115.28, plus any and all court fees, that were alleged to have been provided by the plaintiff on or about March 21, 2005. The Company and the Plaintiff reached a settlement agreement on or about August 30, 2006, for \$2,700, in cash, and the issuance of 3,800 shares of Net2Auction common restricted stock as full and final settlement with the Plaintiff. The Settlement calls for a Dismissal in Court, without prejudice, for the Company, Josh MacAdam, and David MacAdam.

NOTE L –OTHER MATTERS

The Company signed a Debt Assumption Agreement with Midnight Holdings Group, Inc. and NIR Group, Inc., and/or affiliates for the assumption of debt in the amount of \$2,710,320.11 from Midnight Holdings Group, Inc. The consideration for the debt assumption by the Company was the issuance of Midnight Holdings Group, Inc., Preferred Series Class A stock and various financing commitments made by NIR Group, Inc., and/or affiliates, and Midnight Holdings Group, Inc.

The Company has not received the Preferred Series Class A stock from Midnight Holdings Group, Inc. nor the financing commitments made by NIR Group, Inc. in conjunction with the Debt Assumption Agreements. Material items have not been fulfilled therefore the Company has considered the Debt Assumption Agreement to be rescinded.

NOTE M - 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.

At December 31, 2008, the Company has available for federal income tax purposes a net operating loss carry forward of approximately (\$4,837,000) beginning to expire 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.

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**(Unaudited)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE M - INCOME TAXES-(CONTINUED)

Components of deferred tax assets as of December 31, 2008 are as follows:

Non Current:	
Net operating loss carry forward	\$ 4,837,000
Valuation allowance	(4,837,000)
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Net deferred tax asset	\$ --
	=====

NOTE N - 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 years-ended December 31, 2008, and December 31, 2007, the Company incurred a loss from operations of \$494,272, and \$874,403, respectively and has not obtained profitable operation under its current operating plan. This may indicate that 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 company and its affiliates, the sale of additional 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.