

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

AMERIRESOURCE TECHNOLOGIES INC
Form 10QSB
August 21, 2006

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2006.

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

COMMISSION FILE NUMBER: 0-20033

AMERIRESOURCE TECHNOLOGIES, INC.

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

DELAWARE

(State or other jurisdiction of incorporation or organization)

84-1084784

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

3440 E. Russell Road, Suite 217, Las Vegas, Nevada 89120

(Address of principal executive offices)

(702) 214-4249

(Issuer's telephone number)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

On August 18, 2006, there were 250,794,408 outstanding shares of the issuer's common stock, par value \$0.0001.

Transitional Small Business Disclosure Format: Yes No

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION.....3

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

ITEM 1.	Financial Statements.....	3
ITEM 2.	Management's Discussion & Analysis of Financial Condition & Results of Operations.....	4
ITEM 3.	Controls and Procedures.....	9
PART II - OTHER INFORMATION		10
ITEM 6.	Exhibits and Reports on Form 8-K	10
SIGNATURES		10
INDEX TO EXHIBITS.....		11
CERTIFICATIONS.....		12

2

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the term "Company" refers to AmeriResource Technologies, Inc., a Delaware corporation, and its subsidiaries and predecessors, unless otherwise indicated. Consolidated, unaudited, condensed interim financial statements including a balance sheet for the Company as of the quarter ended June 30, 2006, statement of operations and statement of cash flows for the interim period up to the date of such balance sheet and the comparable periods of the preceding year are attached hereto beginning on Page F-1 and are incorporated herein by this reference.

The consolidated financial statements for the Company included herein are unaudited but reflect, in management's opinion, all adjustments, consisting only of normal recurring adjustments that are necessary for a fair presentation of the Company's financial position and the results of its operations for the interim periods presented. Because of the nature of the Company's business, the results of operations for the three months ended June 30, 2006 are not necessarily indicative of the results that may be expected for the full fiscal year. The financial statements included herein should be read in conjunction with the financial statements and notes thereto included in the Form 10-KSB for the year ended December 31, 2005.

3

AMERIRESOURCE TECHNOLOGIES, INC.
AND SUBSIDIARIES
Consolidated Balance Sheets
Unaudited

A S S E T S

	June 30, 2006 ----	December 31, 2005 ----
Current Assets:		
Cash and cash equivalents	97,195	109,357
Inventory	51,244	3,122
Accounts receivable	1,129	
Notes receivable	6,065	6,286
	-----	-----
	-----	-----

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Total Current Assets	155,633	118,765
Fixed Assets:		
Fixed assets at cost	199,850	169,141
Accumulated depreciation	(39,901)	(21,313)
	-----	-----
	-----	-----
Net Fixed Assets	159,949	147,828
Other Assets:		
Intangible assets - net of accumulated amortization	666,544	354,439
Deposits	8,880	8,880
	-----	-----
	-----	-----
Total Other Assets	675,424	363,319
	-----	-----
	-----	-----
Total Assets	991,006	629,912
	=====	=====
	=====	=====

The accompanying notes are integral part of Consolidated Financial Statements.

F-1

AMERIRESOURCE TECHNOLOGIES, INC.
AND SUBSIDIARIES
Consolidated Balance Sheets
Unaudited

L I A B I L I T I E S and S T O C K H O L D E R S ' E Q U I T Y		
	June 30	December 31,
	2006	2005
	----	----
Current Liabilities		
Accrued Expenses	101,239	50,896
Accounts Payable	180,572	68,330
Note payable - related party	179,013	53,317
Notes payable -current portion	566,200	759,513
	-----	-----
	-----	-----
Total Current Liabilities	1,027,024	932,056
Non-Current Liabilities:		
Commitments and contingencies	200,571	105,000
Notes payable	175,000	
	-----	-----
	-----	-----
Total Other Liabilities	375,571	105,000
	-----	-----
	-----	-----
Total Liabilities	1,402,595	1,037,056

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Stockholders' Deficit		
Preferred stock, \$.001 par value; authorized, 10,000,000 shares; Class A, issued and outstanding, 131,275 shares	131	131
Preferred stock, \$.001 par value; authorized, 10,000,000 shares; Class B, issued and outstanding, 177,012 shares	177	177
Preferred stock, \$.001 par value; authorized, 1,000,000 shares; Class C, issued and outstanding, 1,000,000 shares	1,000	1,000
Preferred stock, \$.001 par value; authorized, 750,000 shares; Class D, none issued and outstanding	250	250
Common Stock, \$.0001 par value; authorized, 3,000,000,000 shares; issued and outstanding, 153,474,626 shares and 103,692,656, shares	22,938	10,369
Comprehensive loss on marketable securities	(3,108)	(3,108)
Additional paid in capital	19,170,297	18,226,505
Retained earnings	(20,282,409)	(19,327,806)
Minority interest	679,135	685,338
Total stockholder' deficit	(411,589)	(407,144)
Total Liabilities and Stockholder's deficit	991,006	\$ 629,912

The accompanying notes are integral part of Consolidated Financial Statements.

F-2

AMERIRESOURCE TECHNOLOGIES, INC.
AND SUBSIDIARIES
Consolidated Statement of Operations
Unaudited

	For the three months ended		For the s
	June 30		J
	2006	2005	2006
Net Service Income	\$ 204,968	\$ 300	\$313,
Consulting Income	1,912	12,549	1,
Revenues	\$206,880	12,849	\$315,
Cost of Goods Sold	149,048	62,554	219,
Gross Profit	57,832	(49,705)	95,

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Operating expenses			
General and administrative expenses	135,651	104,478	281,
Salaries	25,000	35,000	50,
Legal & Professional	108,720	85,425	226,
Consulting	555,841	388,102	1,102,
Depreciation	14,807		28,
Research and development		50,468	
	-----	-----	-----
Operating loss	(782,187)	(713,178)	(1,598,
Other Income (Expense):			

Interest expense - net	(11,707)	(27,740)	(16,
Loan extension expense			
Gain on extinguishment of debt			232,
Loss on marketable securities/Investments	-	-	
	-----	-----	-----
	-----	-----	-----
Total other income (expense)	(11,707)	(27,740)	215,
Minority interest	227,149	131,339	380,
Net Income (loss) before income tax	(566,745)	(609,579)	(1,002,
Income Tax Provision (Note 7)	-	-	
	-----	-----	-----
Net Income (loss)	(566,745)	(609,579)	(1,002,
	=====	=====	=====
	=====	=====	=====
Earnings per share	(0.004)	(0.01)	(0
	=====	=====	=====
	=====	=====	=====
Weighted average common shares outstanding	191,429,081	52,122,168	160,006,
	=====	=====	=====
	=====	=====	=====
	=====	=====	=====

The accompanying notes are integral part of Consolidated Financial Statements.

F-3

AMERIRESOURCE TECHNOLOGIES, INC.
AND SUBSIDIARIES
Consolidated Statement of Cash Flows
Unaudited

		For the six months June 30, 2006
Reconciliation of net loss provided by (used in) operating activities:		
Net income (loss)		(1,002,189) \$
Non-cash items:		
Depreciation		28,266
Non-cash services through issuance of stock		1,006,777
Write-down of investment		
Relief of debt income		(232,067)
Minority interest		(380,523)
Changes in assets affecting operations (increase) / decrease		
Accounts Receivable		(1,129)
Inventory		(48,122)
Prepaid expenses		-

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

	Deposits		
	Notes Receivables		221
Changes in liabilities affecting operations increase / (decrease)			
	Accounts Payable	112,242	
	Accrued Payroll and related expenses	25,000	
	Accrued expenses	50,343	
	Note payable - related party	125,696	
		-----	-----
Net cash provided by (used in) operating activities		(315,485)	
		-----	-----
Cash flows from investing activities:			
	Purchase of Fixed Assets	(58,975)	
	Purchase Intangible Assets	(149,248)	
	Purchase subsidiary	(168,254)	
		-----	-----
Net cash provided by (used in) investing activities		(376,477)	
		-----	-----
Cash flows from financing activities:			
	Net increase in Notes payable	329,800	
	Proceeds from issuance of stock	350,000	
		-----	-----
Net cash provided by (used in) financing activities		679,800	
		-----	-----
Increase (decrease) in cash		(12,162)	\$
Cash-beginning period		109,357	
		-----	-----
Cash-end of period		97,195	\$
		=====	=====

F-4

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2006
 (Unaudited)

NOTE 1 - DESCRIPTION OF DEVELOPMENT STAGE ACTIVITIES

AmeriResource Technologies, Inc., formerly known as KLH Engineering Group, Inc (the Management Company), a Delaware corporation, was incorporated March 3, 1989 for the purpose of providing diversified civil engineering services throughout the United States, to be accomplished through acquisitions of small to mid-size engineering firms. On July 16, 1996, the Company changed its name to AmeriResource Technologies, Inc.

NOTE 2 - BASIS OF PRESENTATION

The unaudited financial statements included herein have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310 (b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2006 and June 30, 2005 are not necessarily indicative of the results that may be expected for the fiscal year ended December 31, 2006. For further information, the statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005.

Principles of consolidation

The consolidated financial statements include the combined accounts of AmeriResource Technologies, Inc., West Texas Real Estate & Resources', Inc., RoboServer Systems, Inc., Self-Serve Technologies, Inc. Net2Auction, Inc., Net2Auction Corporation, Auction Wagon Inc., VoIPCOM USA, Inc., Kootenai Corp., now called BizAuctions, Inc., and BizAuctions Corp. All material intercompany transactions and accounts have been eliminated in consolidation.

Loss per common share

Loss per common share is based on the weighted average number of common shares outstanding during the period. Options, warrants and convertible debt outstanding are not included in the computation because the effect would be antidilutive.

F-5

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Unaudited)

NOTE 3 - STOCKHOLDERS' EQUITY

Common stock

In December of 2004, the Company approved a 40 for 1 reverse stock split. The shares are shown after the reverse stock split. During the second quarter of 2006, the Company issued a total of 75,908,909 shares of common stock as follows:

68,984,459 shares of common stock were issued for consulting services at an average price per share of \$0.0064 for a total value of \$442,933.

6,924,310 shares of common stock were issued for legal and professional services at an average per share price of \$0.006 for a total value of \$41,362.

Preferred stock

The Company has currently designated 10,000,000 shares of their authorized preferred stock to Series A Convertible Preferred Stock and an additional 10,000,000 shares to Series B Convertible Preferred Stock.

Both Series A and B preferred stock bear a cumulative \$.125 per share per annum dividend, payable quarterly. The shareholders have a liquidation preference of \$1.25 per share, and in addition, all unpaid accumulated dividends are to be paid before any distributions are made to common share-holders. These shares are subject to redemption by the Company, at any time after the second anniversary of the issue dates (ranging from August 1990 through December 1995) of such shares and at a price of \$1.25 plus all unpaid accumulated dividends. Each preferred share is convertible, at any time prior to a notified redemption date, to one common share. The preferred shares have equal voting rights with common shares and no shares were converted in 2005. Dividends are not payable

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

until declared by the Company.

On February 22, 2002, the Company filed a "Certificate of Designation" with the Secretary of State with the State of Delaware to designate 1,000,000 shares of its Preferred Stock as "Series C Preferred Stock". Each share of the Series C Stock shall be convertible into common stock of the Company based on the stated value of the \$2.00 divided by 50% of the average closing price of the Common Stock on five business days preceding the date of conversion. Each share of the outstanding Series C Preferred shall be redeemable by the Corporation at any time at the redemption price. The redemption price shall equal \$2.00 per share with interest of 8% per annum. The holders of the Series C is entitled to receive \$2.00 per share before the holders of common stock or any junior securities receive any amount as a result of liquidation.

F-6

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Unaudited)

NOTE 3 - STOCKHOLDERS' EQUITY (continued)

On February 22, 2002, the Company filed a "Certificate of Designation" with the Secretary of State of the State of Delaware to designate 750,000 shares of its Preferred Stock as "Series D Preferred Stock". Each share of the Series D Stock shall be convertible into one share of common stock of the Company. Each share of the outstanding Series D Preferred is redeemable by the Corporation at any time at the redemption price. The redemption price shall equal \$.001 per share with interest of 8% per annum. The holders of the Series D is entitled to receive \$.001 per share before the holders of common stock or any junior securities receive any amount as a result of liquidation.

On December 19, 2005, the Company filed a "Certificate of Designation" with the Secretary of State of the State of Delaware to designate 1,000,000 shares of the Preferred Stock as "Series E Preferred Stock". Each share of the outstanding Series E Preferred shall be convertible into common stock of the Company based on the stated value of the \$0.50 divided by 50% of the average closing price of the Common Stock on five business days preceding the date of conversion. Each share of the outstanding Series C Preferred shall be redeemable by the Corporation at any time at the redemption price. The redemption price shall equal \$0.50 per share with interest of 8% per annum. The holders of the Series E is entitled to receive \$0.50 per share before the holders of common stock or any junior securities receive any amount as a result of liquidation.

Delmar Janovec, President & CEO, exchanged the interest owed to him on the dividends in the approximate amount of \$1,600,000 for the new class of Series C Preferred Stock that was approved by the Board of Directors on January 31, 2002.

F-7

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Unaudited)

NOTE 4- NOTE PAYABLE

The Company had the following notes payable as of 6/30/06.

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Note dated April 12, 2005, interest is prime plus 3% originally due on November 12, 2005, extended through November 4, 2006, convertible into 20,000,000 million shares of VoIPCOM USA, Inc. common stock.	\$80,000
Note dated February 2005, interest is prime plus 3% due on demand. Convertible into RoboServer common stock based upon 50% of the bid on a five day trading average.	\$35,000
Note dated in 2002 is non-interest bearing and due on demand.	
Note dated August 31, 1998, and amended in the fourth quarter of 2004, first quarter of 2005, and first quarter of 2006. Payable to American Factors, in the original amount of \$430,000, secured by 300,000 shares of the Company's common stock. The note bears interest at 15%.	\$50,000 \$200,000
Note dated January 2006, interest is 1% per month with a 3% origination charge	\$50,000
Note payable to an officer due on demand with interest at 12% annum.	\$150,000
Note dated May 12, 2006, interest is 10% per annum and due on May 12, 2008 with conversion rights into Net2Auction common stock.	\$171,000
Note dated June 28, 2006, interest is 10% per annum and due on June 28, 2008 with conversion rights into BizAuction common stock.	\$125,000
Total notes payable	\$861,000

F-8

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2006
 (Unaudited)

NOTE 4- NOTE PAYABLE (continued)

Less current portion	(565,000)

Long-term portion	\$296,000
	=====

Maturities of notes payable at June 30, 2006, are as follows:

2006	\$ 565,000
2007	\$ -0-
2008	\$ 296,000
Thereafter	---

\$ 565,000

NOTE 5 - GOING CONCERN UNCERTAINTY

The accompanying financial statements have been prepared in conformity with principles of accounting applicable to a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The Company has incurred continuing losses and has not yet generated sufficient working capital to support its operations. The Company's ability to continue as a going concern is dependent, among other things, on its ability to reduce certain costs, obtain new contracts and additional financing and eventually, attaining a profitable level of operations.

It is management's opinion that the going concern basis of reporting its financial condition and results of operations is appropriate at this time. The Company plans to increase cash flows and take steps towards achieving profitable operations through the sale or closure of unprofitable operations, and through the merger with or acquisition of profitable operations.

F-9

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Unaudited)

NOTE 6 - COMMITMENTS AND CONTINGENCIES

The Company, from time to time, may be subject to legal proceedings and claims that arise in the ordinary course of its business. The Company is currently covered adequately for workmen's compensation, business property & casualty insurance, and general liability meeting the standard limits which are customary in the industry.

On March 28, 2006, the Company and Delmar Janovec, individually, and AFG entered into a Settlement Agreement for full settlement of the existing debt including interest and penalties totaling approximately \$646,312. The settlement called for a cash payment of \$350,000, pursuant to the following terms:

- (a) AFG received a cash payment of \$50,000 from the Company and/or Janovec wired within 48 hours of both parties signing this agreement; and
- (b) AFG is to receive a cash payment of \$200,000 from the Company and/or Janovec thirty (30) days from March 27, 2006; and
- (c) AFG is to receive a cash payment of \$100,000 from the Company and/or Janovec sixty (60) days from March 27, 2006; and
- (d) AFG is to receive 1,244,620 shares of the Company's common stock.

The Company intends to pay the above amounts without the assistance of Janovec. In exchange for the above payments, AFG agreed to release and forever discharge AMRE and Janovec any liability connected to the debt, and will cause the judgments and/or liens against AMRE and Janovec. If AMRE fails to make the payments above, then the agreement will become void, and any payments will go to reduce the original note.

The Company is in discussions with AFG to amend the terms of the Agreement. AFG has been paid \$150,000 to date by an officer of the Company.

F-10

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Unaudited)

NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

On March 28, 2006, the Company received notice that a complaint had been filed in Superior Court of California, San Diego County, Case No. 862855, against the Company, et al., for breach of contract, fraud, promise made without intent to perform, conspiracy, and breach of implied covenant of 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 sought injunctive relief and compensatory, punitive, and general damages against the Company.

The Company denied all allegations in the complaint with the complaint being settled on or about May 27, 2006 between the Company, Delmar Janovec, and the Plaintiff.

The Company purchased an existing company, Bizauctions, Inc. during the quarter. That company has contingencies totaling \$95,571.

F-11

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

FORWARD-LOOKING INFORMATION

This quarterly report contains forward-looking statements. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements. These statements relate to future events or to the Company's future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. There are a number of factors that could cause the Company's actual results to differ materially from those indicated by such forward-looking statements.

Although the Company believes the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance, or achievements. Although all such forward-looking statements are accurate and consequently do not assume responsibility for the ultimate accuracy and completeness of such forward-looking statements. The Company is under no duty to update any of the forward-looking statements after the date of this report to confirm such statements to actual results.

GENERAL

AmeriResource Technologies, Inc. (the "Company") conducts operations primarily through its subsidiaries, including RoboServer Systems Corp. ("RBSY"), Self-Serve Technologies, Inc. ("SSTI"), Net2Auction, Inc. ("NAUC"), Net2Auction Corporation ("N2AC"), AuctionWagon Inc. ("AWI"), Auction Boulevard ("AB")

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

BizAuctions Corp. ("BAC"), and BizAuctions, Inc. ("BAI"). As of August 1, 2006, the Company owned approximately 38.7% of NAUC common stock or 69.6% of NAUC common shares if the Company were to convert its SuperVoting Preferred. NAUC owns 100% of the outstanding shares of both N2AC and AWI. NAUC is publicly traded on the Pink Sheets under the stock symbol "NAUC." As of August 1, 2006, the Company owned approximately 47.15% of RBSY's common stock or 79.6% of RBSY's shares if the Company were to convert its RBSY SuperVoting Preferred Stock. RBSY owns 100% of the outstanding common stock of SSTI. RBSY is publicly traded on the Pink Sheets under the symbol "RBSY." As of August 1, 2006, the Company's subsidiary, NAUC owns approximately 70% of BAI's common stock. BAI's changed its name from Kootenai Corp. to BizAuctions, Inc. as of August 17, 2006, and is publicly traded on the Pink Sheets under the symbol "BZCN." BAC is a wholly-owned subsidiary of BAI. The Company continues to search for viable business operations to acquire or merge with in order to increase the Company's revenues, asset base, and to achieve profitability.

4

NET2AUCTION

NAUC is an operator of online auction drop-off locations and develops relationships with independently owned and/or franchised pack and ship centers. We believe NAUC is ideal for people who want hassle-free selling of their used goods online using eBay internet auction site. In addition to the millions of people who trade on eBay, we believe there is a large population of people who would like to participate on eBay, but lack the skills, time or inclination to sell online directly. NAUC serves this population by extending the reach of eBay.

NAUC handles of all aspects of selling goods on eBay for its customers, including photographing the goods to be sold, posting a picture of the goods on eBay, drafting the product description for eBay, handling inquiries from potential purchasers, selling the goods, processing payments for the goods, and taking care of shipping the goods to the final purchaser. A customer of NAUC gets a majority of the proceeds from the sale of the goods and NAUC does all the work.

As of June 30, 2006, NAUC operates forty-seven (47) drop-off locations, in addition to the twenty-three (23) affiliate locations that were acquired in our acquisition of AWI on September 30, 2005. During the second quarter of 2006, NAUC developed numerous business commercial accounts with several top retailers-wholesalers within the USA. NAUC liquidates the excess inventory and/or returned merchandise of such accounts on eBay. NAUC has obtained such commercial accounts in a wide variety of business industries or segments, including golf products, electronics-computer items, shoes for both men and woman and clothing for men, women, and children. NAUC continues to receive a customer satisfaction rating on eBay exceeding 99%. NAUC is listed as a "eBay Trading Assistant," which allows NAUC to reach millions of potential buyers for our customers' unwanted goods or products. To learn more, please visit our website at www.net2auction.com.

AUCTION WAGON

AWI was incorporated in September of 2003 and became the first eBay consignment store in the Los Angeles market. AWI is the first company to qualify as both an eBay certified developer and an eBay Trading Post. AWI is a frontrunner in both the retail and software segments of the industry, being featured in Entrepreneur, the New York Times, and the Wall Street Journal. AWI currently markets its consignment software to drop-off stores, and maintains a national affiliate network of drop-off locations.

AWI's software, Store Manager Pro G2, performs virtually all of the

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

functions needed by an eBay consignment store, from printing contracts, barcodes, and inventory labels to managing its inventory, payment, shipping, and check writing as well as integrating photo editing. The Store Manager Pro offers multiple levels of software supporting different business requirements and charges both a monthly fee and an initial fee. The fees range from \$99 to \$330 per month per customer. Since January 1, 2006 AWI has added approximately 94 new customer accounts. AWI's software continues to be a widely used by commercial business users doing business on eBay. To learn more, please visit our website at www.auctionwagon.com.

5

AUCTION BOULEVARD

On September 14, 2005, NAUC acquired assets from AB. AB is an operator of online auction drop-off locations. Among the assets acquired by NAUC were all rights to the AB name, all of AB intellectual property, and all eBay accounts opened by AB. Additionally, AB assigned to NAUC the lease to AB's principle place of business, located in Encino, California.

AB is a Trading Assistant, as determined by e-Bay, with operations and drop-off store located at 17412 Ventura Boulevard, Encino, CA (northern Los Angeles area). Auction Boulevard has accumulated in excess of 2,000 positive feedbacks on eBay and has a 99% positive feedback. To learn more, please visit our website at www.auctionboulevard.com.

ROBOSERVER

RBSY is a provider of self-service technologies to the restaurant industry. RBSY's self-serve systems are designed to work like ATM machines, allowing customers to quickly and easily place orders and pay for menu items. Industry estimates and market observations show that self-serve technologies can cut customer waiting time by as much as 33%.

RBSY can install its kiosks in any restaurant located in the United States. RBSY also provides custom software to allow customers to operate the RBSY kiosks with optimum efficiency. To provide this custom software to its customers, RBSY has partnered with St. Clair Interactive Systems, a leading kiosk software development company. St. Clair provides RBSY's customers with leading edge technology and online monitoring systems. In order to provide this highest quality product, RBSY has also partnered with Renasiance Systems, a leading technology company. Our partnership with Renasiance allows RBSY to undertake any and all customer projects regardless of the size and scope.

RBSY kiosks are manufactured by KIS Kiosks. RBSY's partnership with KIS allows us to offer the competitive pricing and top quality hardware products available. We believe the market for RBSY's point-of-sale and self-serve technologies is increasing rapidly. Business owners are seeking out self-serve kiosks to allow such owners to provide more efficient service to their customers as well as reduce labor costs.

RBSY has installed two pilot RoboServer self-serve units in two (2) different fast-food franchisees, with the first installation at Angelo's Burgers in Encinitas, CA and the second installation at Dairy Queen in Oceanside, CA. The Angelo's Burgers installation was completed in the fall of 2005, and the Dairy Queen in the spring of 2006. RBSY continues to receive numerous inquiries from some of the leading fast-food chains for the RBSY self-serve kiosks. SSTI is a wholly-owned subsidiary of RBSY and is the entity that has performed all of the research, development, and modifications since the POS software and self-serve technologies were acquired on or about May 15, 2004. To learn more, please visit our website at www.roboservercorp.com.

6

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

BIZAUCTIONS, INC.

On June 27, 2006, NAUC acquired control of Kootenai Corp. through the purchase of Fifty Million (50,000,000) shares of common stock from the majority shareholder of Kootenai Corp. for One Hundred Seventy Thousand (\$170,000) dollars. Kootenai Corp. later acquired BAC from NAUC, for the issuance of Fifty Million (50,000,000) shares of common stock and Twelve Million (12,000,000) shares of preferred stock. Subsequent to the acquisition of BAC, Kootenai Corp. changed its name to BAI. BAC, is a wholly-owned subsidiary of BAI. BAI is a publicly traded company which trades on the Pink Sheets under the symbol "BZCN."

BAI is a prime provider of commercial eBay liquidation services for excess inventory, overstock items, and merchandise that has been returned. BAI clients include some of the leading retailer in the United States. To learn more, please visit our website at www.bizauctions.com

RESULTS OF OPERATIONS

Results of Operations

Three Months Ended June 30, 2006 Compared with Three Months Ended June 30, 2005

The following discussion should be read in conjunction with the audited financial statements and notes thereto included in our annual report on Form 10-KSB for the fiscal year ended December 31, 2005, and should further be read in conjunction with the financial statements included in this report. Comparisons made between reporting periods herein are for the three-month period ended June 30, 2006 as compared to the same period in 2005.

Net Service Income for the second quarter ended June 30, 2006 increased to \$204,968 from \$300 for the same period in 2005 as a result of an increase in the options of NAUC. The operating loss increased to \$933,380 for the quarter ended June 30, 2006, as compared to an operating loss of \$713,178 for the same period in 2005.

The Company's net loss for the quarter ended June 30, 2006 increased to \$717,938, as compared to a net loss of \$609,579 for the same period in 2005. This increase is due to an increase in administration expenses, research and development expenses, and in legal expenses. The Company's expenses for the second quarter ended June 30, 2006 as compared to the same period in 2005 are set forth below:

Expenses	2006	2005
General and Administrative	135,651	104,478
Consulting	709,284	388,102
Employee Salaries and Bonuses	25,000	35,000
Interest Expense	11,707	27,740

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Legal and Professional	106,470	85,425
R & D	-0-	50,468

7

The increase in these expenses for the second quarter of 2006 as related to the same period for 2005, is due mostly to the increased operations of the Company's subsidiaries. Net service income increased significantly for the quarter ended June 30, 2006. The operating loss increased primarily due to the increased business activities of its subsidiaries, NAUC, AWI and RBSY.

Six Months Ended June 30, 2006 Compared with Six Months Ended June 30, 2006

The following discussion should be read in conjunction with the audited financial statements and notes thereto included in our annual report on Form 10-KSB for the fiscal year ended December 31, 2005, and should further be read in conjunction with the financial statements included in this report. Comparisons made between reporting periods herein are for the six month period ended June 30, 2006 as compared to the same period in 2005.

Net Service Income for the six months ended June 30, 2006 increased to \$313,186 from \$3,085 for the same period in 2005 due to the emergence of Net2Auction's operations. The operating loss increased to \$1,749,557 for the six months ended June 30, 2006, as compared to an operating loss of \$1,121,069 for the same period in 2005.

The Company's net loss for the six months ended June 30, 2006 increased significantly to a net loss of \$1,153,382, as compared to a net loss of \$989,010 for the same period in 2005. This increase is due to an increase in consulting expenses, general and administrative expenses, and legal expenses. The Company's expenses for the six months ended June 30, 2006 as compared to the same period in 2005 are set forth below:

Expenses	2006	2005
General and Administrative	281,767	194,459
Consulting	229,025	153,663
Employee Salaries and Bonuses	50,000	60,000
Interest Expense	16,420	43,508
Legal and Professional	229,025	153,663
R & D	-0-	87,426

8

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

The increase in these expenses for the six months of 2006 as related to the same period for 2005, is due mostly to the increased operations of the Company's subsidiaries. Net service income increased significantly for the quarter ended June 30, 2006. The operating loss increased primarily due to the increased business activities of its subsidiaries, NAUC, AWI, and RBSY.

Liquidity and Capital Resources

The Company's net cash used in operating activities for the quarter ended June 30, 2006 increased to \$315,485 as compared to cash used in operations of \$273,484 for the same period in 2005. The Company's cash flow used in investing activities was \$376,477 during the second quarter of 2006, as compared to \$187,514 for the same period in 2005. This increase is due to purchase of intangible assets and a subsidiary. The Company's cash flow provided by financing activities was \$679,800 during the second quarter of 2006, as compared to \$737,033 for the same period in 2005. This decrease occurred as we received only \$350,000 from sale of stock in 2006, versus \$481,033 in 2005 and despite an increase in financing activities from Notes Payable, which increased from \$256,000 in 2005 to \$329,800 in 2006.

The Company has relied upon its chief executive officer for its capital requirements and liquidity. The Company's recurring losses, lack of cash flow and lack of cash on hand raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with respect to these matters include raising additional working capital through equity or debt financing and acquisitions of ongoing concerns, which generate profits, ultimately allowing the Company to achieve consistent profitable operations. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

OFF-BALANCE SHEET ARRANGEMENTS

We do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structure finance or special purpose entities ("SPEs"), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes as part of our ongoing business. As of June 30, 2006, we were not involved in any unconsolidated SPE transactions.

ITEM 3. CONTROLS AND PROCEDURES

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and the person performing functions similar to that of a Principal Financial Officer of the Company, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon the evaluation, the Company's Chief Executive Officer and the person performing functions similar to that of a Principal Financial Officer of the Company concluded that the Company's disclosure controls are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings. There have been no significant changes in the Company's internal controls or in other factors which could significantly affect internal controls subsequent to the date the Company conducted its evaluation.

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

ITEM 1. LEGAL PROCEEDINGS

On March 28, 2006, the Company received notice that a complaint had been filed in Superior Court of California, San Diego County, Case No. 862855, against the Company, et al., for breach of contract, fraud, promise made without intent to perform, conspiracy, and breach of implied covenant of 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 sought injunctive relief and compensatory, punitive, and general damages against the Company.

The Company denied all allegations in the complaint with the complaint being settled on or about May 27, 2006 between the Company, Delmar Janovec, and the Plaintiff.

ITEM 5. OTHER INFORMATION

On July 14, 2006, NAUC entered into a Lease Agreement ("Lease") with Mars Enterprises, Inc. for the premises located at 1510 Corporate Center Drive, San Diego California. The Lease term is three (3) years and three (3) months and the Lease will terminate on October 17, 2009. The premise governed by the Lease is freestanding industrial warehouse space consisting of approximately 20,193 square feet. Rent under the lease is \$12,155.60 per month. The Lease was personally guaranteed by Delmar Janovec and Brent Crouch.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits beginning on page 10 of this Form 10-QSB, which is incorporated herein by reference.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERIRESOURCE TECHNOLOGIES, INC.

/s/ Delmar Janovec

Delmar Janovec, Chief Executive Officer

Dated: August 21, 2006

10

INDEX TO EXHIBITS

EXHIBIT	DESCRIPTION
3.1	Articles of Incorporation of the Company. (Incorporated by reference from the Company's Form S-4, file number 33-44104, effective on February 11, 1992.).
3.2	Bylaws of the Company. (Incorporated by reference from the Company's Form S-4, file number 33-44104, effective on February 11, 1992.)
10.1	Settlement Agreement, dated March 27, 2006, by and between American Factors Group, LLC, AmeriResource Technologies, Inc., and

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Delmar Janovec.

- 10.2 Acquisition and Asset Purchase Agreement between Net2Auction and AuctionBoulevard, Inc. dated September 27, 2005. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 5, 2005, and incorporated herein by reference).
- 10.3 Acquisition and Stock Exchange Agreement between Net2Auction and AuctionWagon Inc., dated September 30, 2005. (filed as Exhibit 10 to the Company's Current Report on Form 8-K filed on October 12, 2005, and incorporated herein by reference).
- 10.4 Acquisition and Stock Exchange Agreement between the Company and Roboserver Systems Corp. dated August 26, 2004 (filed as Exhibit 10(i) to the Company's Current Report on Form 10-KSB filed on April 15, 2005, and incorporated herein by reference).
- 10.5 Acquisition and Stock Exchange Agreement between the Company and Net2Auction, Inc. dated December 2, 2004. (filed as Exhibit 10(ii) to the Company's Current Report on Form 10-KSB filed on April 15, 2005, and incorporated herein by reference).
- 10.6 Fourth Addendum Settlement and Release Agreement between the Company and American Factors Group, LLC dated February 28, 2005. (filed as Exhibit 10(iii) to the Company's Current Report on Form 10-KSB filed on April 15, 2005, and incorporated herein by reference).
- 10.7 Share Purchase Agreement, dated as of April 15, 2005, by and between AmeriResource Technologies, Inc. and BBG, Inc. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 19, 2005, and incorporated herein by reference).
- 10.8 Promissory Note, dated as of April 12, 2005. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 19, 2005, and incorporated herein by reference).
- 14 Code of Ethics adopted by the Company. (filed as Exhibit 14 to the Company's Form 10-K filed on April 18 2006, and incorporated herein by reference).
- 21 Subsidiaries of Registrant (filed as Exhibit 21 to the Company's Form 10-K filed on April 18, 2006, and incorporated herein by reference).
- 31.1 Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer of AmeriResource Technologies, Inc. Pursuant to 18 U.S.C. ss.1350

11

EXHIBIT 31(i)

CERTIFICATION

I, Delmar Janovec, as Chief Executive Officer and the person performing functions similar to that of a Principal Financial Officer of AmeriResource Technologies, Inc. (the "Company"), certify that:

- 1. I have reviewed this report on Form 10-QSB for the quarter ended June 30, 2006 of the Company;

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this annual report;
4. The small business issuer's other certifying officer(s) and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to myself by others within those entities, particularly during the period in which this annual report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the small business issuer's internal controls over financial reporting that occurred during the small business issuer's most recent fiscal year that has materially affected, or is reasonably likely to materially effect, the small business issuer's internal controls over financial reporting; and
5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors;
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting

Date: August 21, 2006

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

/s/ Delmar Janovec

Delmar Janovec
Chief Executive Officer and
Principal Financial Officer

12

EXHIBIT 32 (i)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTIONS 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACTS OF 2002

Certification Pursuant to 18 U.S.C., Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of AmeriResource Technologies, Inc. (the "Company") on Form 10-QSB for the quarter ended June 30, 2006 (the "Report"), as filed with the Securities and Exchange Commission, on the date hereof (the "Report"), the undersigned, Delmar Janovec, Chief Executive Officer and the person performing functions similar to that of a Principal Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. 1350, as adopted pursuant to 18 U.S.C., Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 21, 2006

/s/ Delmar Janovec

Delmar Janovec
Chief Executive Officer and Principal
Financial Officer

13