



FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2011

&

DECEMBER 31, 2010

-Financial Principal's Letter Regarding Financial Statements

-2011 and 2010 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, 2011, and December 31, 2010, 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 30th Day of March, 2012.

/s/ Delmar Janovec

Delmar Janovec
President and Principal
Financial Officer

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

March 30, 2012

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, 2011, and December 31, 2010, 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
March 30, 2012
Salt Lake City, Utah

BIZAUKCTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2011	December 31, 2010
	(unaudited)	(unaudited)
ASSETS:		
Current Assets:		
Cash	\$ 41,536	\$ 97,996
Inventory-(Note D)	108,249	541,705
Accounts receivable	18,151	10,000
Note receivable-(Note H)	177,417	60,000
Due from affiliates-(Note C)	209,382	396,011
Total Current Assets	554,735	1,105,712
Plant, Property and Equipment (net)	71,499	116,573
Deposits	45,966	20,971
Total Assets	\$ 672,200	\$ 1,243,256
 LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 696,671	\$ 364,002
Note Payable - related party-(Note F)	258,015	126,165
Note Payable, short-term-(Note G)	2,566,707	125,000
Due to affiliates		
Total Current Liabilities	3,521,393	615,167
Notes Payable, long-term		2,225,151
Contingencies and commitments-(Note J)	95,571	95,571
Total Liabilities	\$ 3,616,964	\$ 2,935,889
 STOCKHOLDERS' DEFICIT		
Preferred stock, Series D, \$.001 par value;25,000,000 shares authorized 10,000,000 shares issued and outstanding,	10,000	10,000
Preferred stock, Series C convertible stock, 20,000,000 shares authorized 0 shares issued and outstanding converts to \$5 of common shares per each share of preferred	135	
Preferred stock - Series A convertible stock, 100,000,000 shares authorized; voting rights - 10 votes to one share of common; 42,000,000 issued and outstanding	42,000	42,000
Common stock, \$.001 par value; 20,000,000,000 shares authorized; 15,492,843,361 and 11,907,510,027 issued and outstanding at December 31, 2011, and December 31, 2010	15,492,842	11,907,509
Additional paid-in Capital	(8,546,243)	(5,320,030)
Subscription receivable		
Retained deficit	(9,943,498)	(8,332,112)
Total Stockholders' Deficit	(2,944,764)	(1,692,633)
Total Liabilities and Stockholders' Deficit	\$ 672,200	\$ 1,243,256

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

BIZAUCTIONS, INC.
CONSOLIDATED STATEMENT OF LOSS
(unaudited)

	Year ended	
	December 31, 2011	December 31, 2010
Revenues	\$ 2,309,398	\$ 1,705,972
Cost of Goods Sold	2,111,372	1,424,113
Gross profit	<u>198,026</u>	<u>281,859</u>
Operating expenses:		
Selling, general and administrative expenses	1,382,954	1,012,376
Depreciation and amortization	<u>38,498</u>	<u>38,978</u>
Total operating expenses	<u>1,421,452</u>	<u>1,051,354</u>
Other income and expenses:		
Interest expense	<u>479,923</u>	<u>337,577</u>
Loss before tax and extraordinary items	(1,703,349)	(1,107,072)
Gain on sale of outlet stores	37,718	
Interest income	4,245	
Gain on sale of joint venture	375,000	
Loss on write-down of note receivable	(25,000)	
Loss on obsolete inventory	(300,000)	
Income tax expenses	<u>-</u>	<u>-</u>
Net loss	<u>\$ (1,611,386)</u>	<u>\$ (1,107,072)</u>
Net loss per common share	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding	14,197,224,849	8,239,093,947

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

BIZACTIONS, INC.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
FROM DECEMBER 31, 2008 TO DECEMBER 31, 2011

(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	Retained
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit
Balance at December 31, 2008	9,000,000	\$ 9,000	151,805,281	\$ 151,806	\$ 4,914,221	\$ (5,860,412)
Conversion of note for common stock			4,076,251,272	\$ 4,076,251	\$ (3,477,822)	
Conversion of note for common stock-related party			142,702,843	\$ 142,703	\$ (1,102)	
Conversion of note for common stock-parent			69,112,961	\$ 69,113	\$ 8,049	
Common stock issued for services rendered	33,000,000	\$ 33,000	119,100,500	\$ 119,101	\$ (53,813)	
Preferred stock issued for note payable-parent	10,000,000	\$ 10,000			\$ 169,046	
Common stock issued for for cash			11,655,011	\$ 11,655	\$ 7,223	
Net loss for the year ended December 31, 2009						(1,364,628)
Balance at December 31, 2009	52,000,000	\$ 52,000	4,570,627,868	\$ 4,570,629	\$ 1,565,802	\$ (7,225,040)
Conversion of note for common stock			5,455,813,002	5,455,811	(5,157,941)	
Conversion of note for common stock-related party			1,500,000,000	1,500,000	(1,440,000)	
Conversion of preferred stock to common stock	(10,000)	(50,000)	125,000,000	125,000	(75,000)	
Stock issued for services	10,000	50,000	256,069,157	256,069	(212,891)	
Net loss for the year ended December 31, 2010						(1,107,072)
Balance at December 31, 2010	52,000,000	\$ 52,000	11,907,510,027	\$ 11,907,509	\$ (5,320,030)	\$ (8,332,112)
Stock issued for services			835,333,334	835,333	(763,883)	
Conversion of note for common stock			2,750,000,000	2,750,000	(2,663,250)	
Conversion of note for preferred stock	30,000	30			88,470	
Rescind agreement for preferred stock	104,500	105			112,450	
Net loss for the year ended December 31, 2011						(1,611,386)
Balance at December 31, 2011	52,134,500	\$ 52,135	15,492,843,361	\$ 15,492,842	\$ (8,546,243)	\$ (9,943,498)

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

BIZAUCTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Year ended	
	December 31, 2011	December 31, 2010
Cash flows from operating activities:		
Net Loss	\$ (1,611,386)	\$ (1,107,072)
Adjustment to reconcile net loss to cash used in operations:		
Stock issued to pay expenses (company and affiliates)	71,450	99,332
Depreciation	38,498	38,978
Bad debts written off	70,090	
Change in operation accounts:		
Accounts payable and accrued expenses	332,669	135,714
Inventory	433,456	(362,105)
Deposits	(24,995)	
Notes receivable	117,417	(50,000)
Accounts receivable	(8,151)	(10,000)
Note payable related party	131,850	
	<u>(449,102)</u>	<u>(1,255,153)</u>
Cash flows from investing activities:		
Purchase assets	(33,401)	(102,826)
Sale assets	22,858	
	<u>(10,543)</u>	<u>(102,826)</u>
Cash flows from financing activities:		
Proceeds from the sale of common stock		
Proceeds (payments) from loans - affiliates	186,629	
Proceeds from loans (net)	216,556	1,318,011
Payments on loans		(5,052)
	<u>403,185</u>	<u>1,312,959</u>
Increase (decrease) in cash	(56,460)	(45,020)
Cash - Beginning of the year	97,996	143,016
Cash - End of the year	<u>\$ 41,536</u>	<u>\$ 97,996</u>

(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, 2011, and December 31, 2010, AmeriResource Technologies, Inc. ("Parent" or "Affiliates") controlled approximately 0.12% and 0.013%, respectively, of the outstanding common stock of the Company. Upon the conversion of the Series A Preferred stock owned by the Parent would give approximately 72% and 71% voting control as of December 31, 2011, and December 31, 2010 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. Since the inception of the Company there have been three subsequent name changes 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. BizAuctions designation on eBay as a Power-Seller ranks the Company among the most successful on eBay in terms of sales and customer satisfaction. With a worldwide audience of approximately 290 million registered users, eBay provides the Company a well known and established forum to market and sell our merchandise in a competitive bidding format.

The Company strategy is that of the most basic of economic principles: Buy low and sell high. We have contracted with major retailer-wholesalers that are leaders in their industry to purchase salvaged merchandise at a discount and sell for a profit on eBay, Amazon, Craig's List, and our BizAuction retail-outlet store. This salvaged merchandise is generally overstock inventory, display models, and customer returns. We sell brand name general merchandise, home goods, appliances, clothes and electronics. BizAuctions list the merchandise through KyoZou software which is fully integrated and compliant with

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF ACCOUNTING POLICIES–(CONTINUED)

Business and Basis of Presentation-(Continued)

eBay, Amazon, and Craig's List. Once an auction ends, payment is collected via PayPal or credit card. We have our own designated Account Executives with eBay, Amazon, and PayPal to help BizAuctions achieve the highest potential.

BizAuctions operates out of its warehouse in Otay Mesa, CA, a suburb of San Diego, CA, and has 7 full time employees at the end of the calendar year, 2011. We are currently providing liquidation services to retailers and other wholesalers in California. Over the past several years, we have created and redefined an efficient business model that will allow for expansion and growth in good economic times. The current operational capacity has the ability to handle much more business that is limited to the Company purchasing power and current economic conditions. BizAuctions goal is to have operations strategically placed throughout the Western U.S. to accommodate our growth and demand for BizAuctions products and services while meeting the demands of our major retailers-wholesalers. (For additional information, please see Note M of this report.)

The Company entered into a Asset Purchase Agreement with 88LG, Inc. in October for the sale of its retail operations, Lucky 7's retail stores, the Lucky 7's brand name, inventory, and furniture, fixtures, and equipment that was associated with the retail operations for a price to be determined by the actual costs of the inventory and FF & E, to be verified by paid invoices, checks, and bill of laden. (For additional information, please see Note L. of this report.)

The Company entered into a Recession Agreement with its Joint-Venture Partner and Lessor, Aero Abre, Inc., during the 3rd Qtr. of 2011, for the retail space at 1365 Grand Avenue, Suites 104 and 105, San Marcos, CA. (For additional information, please see Other Matters-Note L. of this report.)

The Company is in the process of redefining its business model and is contacting major retailers and wholesalers for liquidation services. The Company is in discussions with a major wholesaler that provides all types of merchandise to in excess of one thousand gift store operators in the USA for the liquidation of inventory that has been either phased out, or is a surplus for the wholesaler. The Company anticipates bringing this new line of products for resale during the second or third quarters of 2012.

The Company is in discussions with a major retailer in the grocery industry for the liquidation of surplus inventory, and non-perishable products that have traditionally been discarded. The Company anticipates bringing this new line of goods for resale during the second or third quarters of 2012.

BizAuctions sales for the year ended December 31, 2012 has increased approximately \$599,426 or 35% over the year ending December 31, 2010. The increase in revenues is due to the additional salvage contracts with the major retailers-wholesalers and the opening of the BizAuctions retail-outlet store and the San Ysidro and San Marcos Lucky 7's retail stores. (For additional information see Other Matters-Note L. of this report.)

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.

BizAuctions, Inc.
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(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF ACCOUNTING POLICIES–(CONTINUED)

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, 2011, and December 31, 2010, 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.

Advertising

The Company follows the policy of charging the costs of advertising to expenses as incurred. For the years ended December 31, 2011, and December 31, 2010, advertising costs were not material to the statement of loss.

Liquidity

As shown in the accompanying financial statements, the Company has incurred a net loss of \$1,611,386, and \$1,107,072 during the years ended December 31, 2011, and December 31, 2010, respectively. As of December 31, 2011, the Company had working capital deficit of \$2,966,658.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF ACCOUNTING POLICIES–(CONTINUED)

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, 2011, and December 31, 2010.

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, 2011, and December 31, 2010, 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 decisions 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.

BizAuctions, Inc.
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(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

SFAS No. 168. In June of 2009, the Financial Accounting Standards Board, ("FASB"), issued SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles-replacement of SFAS No. 162. No 168 established the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation of financial statements in conformity with generally accepted accounting principles. No.168 explicitly recognizes rule and interpretive releases of the Securities and Exchange Commission (SEC) under federal securities laws issued for fiscal years and interim periods ending after September 15, 2009. The Company has adopted SFAS No. 168 and there was no impact on the Company's consolidated financial statements or results of operations.

SFAS No. 165. In May of 2009, the Financial Accounting Standards Board, ("FASB"), issued SFAS No. 165, Subsequent Events No. 165 establishes general standards of accounting for, and requires disclosures of events that occur after the balance sheet date but before the financial statements are issued or available to be issued. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009, and should be applied prospectively. The Company has adopted SFAS 165 and there was no impact on the Company's consolidated financial statements or results of operations.

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 \$209,382 at December 31, 2011, and \$396,011 at December 31, 2010.

NOTE D – INVENTORY

Inventory consists of unsold merchandise purchased from retailer-wholesalers for re-sale on internet outlets and the BizAuctions retail-outlet stores. Inventory is valued at the lower of cost or market.

NOTE E – RELATED PARTY TRANSACTIONS

During the calendar year, the Company issued its parent 60,000,000 shares of common restricted stock and 42,000,000 of Series A Preferred for services rendered and financial guarantees.

During the calendar year, the Company issued 50,000,000 shares of common restricted stock to the officers of the Company for services rendered and financial guarantees.

During the calendar year, the Company issued its parent 10,000,000 shares of Series D Preferred in exchange for the partial reduction of debt in the amount of \$179,046 owed to its parent.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE E – RELATED PARTY TRANSACTIONS-(CONTINUED)

In September of 2008, the Company issued 8,000,000 shares of restricted common stock to an officer of the Company for the conversion of debt in the amount of \$80,000 that was owed to the officer of the Company.

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, 2011 and December 31, 2010, the Company had notes payable to an officer of the Company in the amount of \$129,007, and \$68,083, respectively. The note is payable on demand and is non-interest bearing and is convertible into common stock, at the option of the note holder.

At December 31, 2011, and December 31, 2010, the Company had notes payable to Brent Crouch, a former officer, in the amount of \$129,007, and \$58,082, 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

The Company entered into a Promissory Note with an investor in July and in the amount of \$100,000. The note is due on September 27, 2011 with an interest charge of \$10,000. The note can be extended at the option of the note holder.

The Company entered into a Promissory Note with an investor in April and in the amount of \$25,000. The note is due on April 1, 2013 with an interest rate of 15% and is convertible into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor in May and in the amount of \$20,000. The note is due on May 4, 2013 with an interest rate of 15% and is convertible into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor in May and in the amount of \$10,000. The note is due on May 24, 2013 with an interest rate of 15% and is convertible into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor in June and in the amount of \$9,628. The note is due on June 20, 2013 with an interest rate of 15% and is convertible into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor in January and in the amount of \$100,000. The note is due on January 3, 2012 with an interest rate of 15% and can be extended for an additional year upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in January and in the amount of \$50,000. The note is due on January 27, 2013 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – NOTE PAYABLE-(CONTINUED)

The Company entered into a Promissory Note with an investor in February and in the amount of \$50,000. The note is due on July 2, 2011 with an interest rate of 15% and can be extended for an additional six months upon the note holder's option.

The Company entered into a Promissory Note with an investor in February and in the amount of \$50,000. The note is due on July 14, 2011 with an interest rate of 15% and can be extended for an additional six months upon the note holder's option.

The Company entered into a working capital loan with Strategic Funding in June and in the amount of \$45,000 with an interest charge of \$17,505. The loan is to be paid back at the rate of 15% of the total monthly net credit card sales. The loan balance at the end of the period ending December 31, 2011 is \$55,932.

The Company entered into a Convertible Promissory Note with an investor in December and in the amount of \$25,000. The note is due on December 15, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in December and in the amount of \$50,000. The note is due on December 14, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in December and in the amount of \$50,000. The note is due on December 9, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in December and in the amount of \$25,000. The note is due on December 2, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in December and in the amount of \$25,000. The note is due on November 23, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in November and in the amount of \$25,000. The note is due on November 16, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in November and in the amount of \$25,000. The note is due on November 11, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor in October and in the amount of \$150,000. The note is due on October 21, 2011 with an interest rate of 15% and can be extended for an additional one year upon the note holder's option.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – NOTE PAYABLE-(CONTINUED)

The Company entered into a Convertible Promissory Note with an investor in October and in the amount of \$25,000. The note is due on October 20, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in October and in the amount of \$25,000. The note is due on October 14, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in October and in the amount of \$25,000. The note is due on October 12, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor in September and in the amount of \$150,000. The note is due on September 15, 2011 with an interest rate of 15% and can be extended for an additional one year upon the note holder's option.

The Company entered into a Promissory Note with an investor in September and in the amount of \$75,000. The note is due on September 3, 2011 with an interest rate of 15% and can be extended for an additional one year upon the note holder's option. The note was converted to Convertible Preferred Series during the quarter.

The Company entered into a Convertible Promissory Note with an investor in September and in the amount of \$20,000. The note is due on September 2, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in August and in the amount of \$10,000. The note is due on August 28, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in August and in the amount of \$25,000. The note is due on August 24, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in August and in the amount of \$25,000. The note is due on August 16, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in August and in the amount of \$50,000. The note is due on August 6, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in June and in the amount of \$70,000. The note is due on June 28, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – NOTE PAYABLE-(CONTINUED)

The Company entered into a note with Ford Motor Credit in the amount of \$31,457.50 for the purchase of a 2007 vehicle with an interest rate of 12%. The note is due on June 28, 2014 with forty-eight monthly payments.

The Company entered into a Convertible Promissory Note with an investor in June and in the amount of \$40,000. The note is due on June 1, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in May and in the amount of \$62,068. The note is due on May 21, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in May and in the amount of \$40,000. The note is due on May 18, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in April and in the amount of \$50,000. The note is due on April 30, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in April and in the amount of \$10,000. The note is due on April 19, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a note with Ford Motor Credit in the amount of \$51,164 for the purchase of a 2010 vehicle with an interest rate of 15%. The note is due on April 28, 2015, with 60 monthly payments.

The Company entered into a Convertible Promissory Note with an investor in April and in the amount of \$75,000. The note is due on April 1, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in March and in the amount of \$50,000. The note is due on March 30, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in March and in the amount of \$60,000. The note is due on March 4, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in March and in the amount of \$20,000. The note is due on March 1, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in February and in the amount of \$10,000. The note is due on February 11, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – NOTE PAYABLE-(CONTINUED)

The Company entered into a Convertible Promissory Note with an investor in February and in the amount of \$75,000. The note is due on February 1, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The balance owing at December 31, 2011 is \$62,500.

The Company entered into a Convertible Promissory Note with an investor in January and in the amount of \$101,492. The note is due on January 22, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option. The balance owing at December 31, 2011 is \$18,492.

The Company entered into a Convertible Promissory Note with an investor in January and in the amount of \$62,068. The note is due on January 21, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in January and in the amount of \$10,000. The note is due on January 11, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in December, 2009 and in the amount of \$75,000. The note is due on December 30, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in December, 2009 and in the amount of \$50,000. The note is due on December 17, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in December, 2009 and in the amount of \$110,000. The note is due on December 3, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in November, 2009 and in the amount of \$50,000. The note is due on November 30, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in November, 2009 and in the amount of \$20,000. The note is due on November 23, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in November, 2009 and in the amount of \$30,000. The note is due on November 12, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in November, 2009 and in the amount of \$60,000. The note is due on November 4, 2011 with an interest rate of 12% and can be converted into common stock upon the note holder's option. The note has been converted to common stock with a balance owing of \$7,500 at December 31, 2011.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – NOTE PAYABLE-(CONTINUED)

The Company entered into a Convertible Promissory Note with an investor in November, 2009 and in the amount of \$50,000,000. The note is due on November 2, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in October, 2009 and in the amount of \$25,000. The note is due on October 26, 2011 with interest rate of 12% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in October, 2009 and in the amount of \$10,000. The note is due on October 21, 2011 with an interest rate of 12% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in October, 2009 and in the amount of \$20,000. The note is due on October 13, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in October, 2009 and in the amount of \$30,000. The note is due on October 9, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in October, 2009 and in the amount of \$15,000. The note is due on October 5, 2011 with an interest rate of 12% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in September, 2009 and in the amount of \$30,000. The note is due on September 14, 2012 with 10% interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in August, 2009 and in the amount of \$15,000. The note is due on August 14, 2011 with 12% interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in July, 2009 and in the amount of \$30,000. The note is due on July 31, 2012 with no interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in July, 2009 and in the amount of \$20,000. The note is due on July 23, 2011 with 12% interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in July, 2009 and in the amount of \$20,000. The note is due on July 16, 2012 with no interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in July, 2009 and in the amount of \$110,400. The note is due on July 8, 2012 with 10% interest and can be converted into common stock upon the note holder's option.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE G – NOTE PAYABLE-(CONTINUED)

The Company entered into a Convertible Promissory Note with an investor in July, 2009 and in the amount of \$15,000. The note is due on July 6, 2011 with 12% interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in June, 2009 and in the amount of \$20,000. The note is due on June 19, 2012 with no interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in June, 2009 and in the amount of \$10,000. The note is due on June 9, 2012 with no interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in May, 2009 and in the amount of \$7,500. The note is due on May 11, 2011 with 18% interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in April, 2009 and in the amount of \$10,000. The note is due on April 28, 2012 with no interest and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor in June, 2006, and in the amount of \$125,000. The note bears interest at the rate of 10% and is convertible into common stock of the Company \$0.01, per share. The note plus accrued interest may be converted into common stock at the option of the note holder after the maturity date of June 28, 2008. No interest or principal payments are due prior to the maturity date. An officer of the Company is liable as a co-signer on the note. The note will be converted into Twelve Million Five Hundred Thousand (12,500,000) shares of restricted common stock.

NOTE H – NOTE RECEIVABLE

The Company has recorded a receivable in the amount of \$142,417 that is owed from an Asset Purchase Agreement that was entered into with 88LG for the sale of its retail operations, Lucky 7's brand name, inventory, and furniture, fixtures, and equipment that was associated with the retail operations for a price to be determined by the actual costs of the inventory and FF & E, to be verified by paid invoices, checks, and bill of lading. (For additional information, please see Note L. of this report.)

The Company made a loan on August 10, 2007 and in the amount of \$10,000 to Candwich, Inc. The note has been extended since the initial due date of October 10, 2007, and is due March 31, 2012, with an interest charge of \$3,250.00.

The Company made a loan on April 6, 2010 and in the amount of \$50,000 to La Jolla Liquidation & Auction Co. with an interest rate of 15% with the note being due on or before April 6, 2011. The Company recorded a write down of \$25,000.00 on the note.

BizAuctions, Inc.
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(Unaudited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I- STOCKHOLDERS' DEFICIT

Preferred Stock:

The Company increased its authorized from 43,000,000 to 150,000,000 shares with 100,000,000 of Series A Preferred stock, 5,000,000 shares of Series B Preferred stock, 20,000,000 shares of Series C Preferred stock, and 25,000,000 shares of Series D Preferred stock.

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 issue. Each share of Series A Preferred stock has voting rights equal to 10 shares of common stock.

The Series B Preferred stock is convertible at the option of the holder into common stock at the rate of 1 share of common for each share of Series B after one year from the date of issue. Each share of Series B Preferred stock has voting rights equal to 1 share of common stock

The Series C Preferred stock has a stated conversion value of \$5.00, per share, and has voting rights equal to five shares of common stock.

The Series D Preferred stock has a stated conversion value of \$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 Series D Preferred stock has voting rights equal to the conversion factor at the time of conversion.

Issuances of Preferred stock during the calendar year 2011:

During the quarter, there were 134,500 shares of Series C Preferred stock issued.

The Company issued 30,000 shares of Series C Preferred to an accredited investor for the conversion of a \$75,000 loan plus interest charges of \$13,500 as full settlement of the note.

The Company issued 55,000 shares of Series C Preferred to Aero Abre, its Joint-Venture partner on the San Marcos retail store, for the purchase of Aero Abre's 49% ownership of the Joint-Venture and misc. costs that had been incurred by Aero Abre.

The Company issued 49,500 shares of Series C Preferred to Aero Abre for the Recession of the Purchase Agreement and payment of \$112,500 for the purchase of the retail contracts in Arizona as full settlement of the Agreement.

Common Stock:

The Company is authorized to issue 20,000,000,000 shares of common stock with a par value of \$.001 per share. As of December 31, 2011, and December 31, 2010, the Company has issued and has outstanding, 15,492,842, and 11,907,510,027 shares of common stock. (For additional information, please see Note L.-Other Matters of this report.)

Issuances of common stock during the calendar year, 2011:

During the calendar year, the Company issued 173,334,333 shares of common restricted stock for services rendered to a consultant, at \$0.00015, per share.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I- STOCHOLDERS' DEFICIT-(CONTINUED)

During the calendar year, the Company issued 240,000,000 shares of common restricted stock for services rendered to a consultant, at \$0.00004, per share.

During the calendar year, the Company issued 160,000,000 shares of common restricted stock for services rendered to a consultant, at \$0.00006, per share.

During the calendar year, the Company issued 136,000,000 shares of common stock for services rendered to a consultant, at \$0.00015, per share.

During the calendar year, the Company issued 250,000,000 shares of common stock for partial conversion of a note payable, at \$0.000025, per share.

During the calendar year, the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.00004, per share.

During the calendar year, the Company issued 500,000,000 shares of common stock for the partial conversion of note payable at \$0.00004, per share.

During the calendar year, the Company issued 1,500,000,000 shares of common stock for the partial conversion of a note payable at \$0.00004, per share.

During the calendar year the Company issued 126,000,000 shares of common stock for the partial conversion of a note payable at \$0.00015, per share.

During the calendar year the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

Issuances of common stock during the calendar year 2010:

During the calendar year the Company issued 850,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year the Company issued 551,700,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year the Company issued 996,970,417 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year the Company issued 66,666,667 shares of common stock for the conversion of a note payable at \$0.0002, per share.

During the calendar year the Company issued 125,000,000 shares of common stock that was converted from 10,000 shares of Series C Preferred at \$5.00, per share, to a consultant for services rendered.

During the calendar year, the Company issued 150,000,000 shares of common stock for the partial conversion of notes payable at \$0.0004, per share.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE I – SHAREHOLDERS’ DEFICIT-(CONTINUED)

During the calendar year, the Company issued 3,178,000 shares of common stock at par value to a consultant for services rendered.

During the calendar year, the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year, the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year, the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share

During the calendar year, the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share

During the calendar year, the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year, the Company issued 250,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year, the Company issued 50,000,000 shares of common stock for the partial conversion of a note payable at \$0.0004, per share.

During the calendar year, the Company issued 100,000,000 shares of common stock for the partial conversion of a note payable at \$0.0001, per share.

NOTE J – COMMITMENTS AND CONTINGENCIES

The Company entered into a Lease Agreement (“Lease”) with FS San Ysidro LLC (“Landlord”) on April 2, 2011 for the premises located at 4530 Camino De La Plaza, units K128 and K128A, San Ysidro, California 92173. The premise governed by the lease is a free-standing retail space consisting of approximately 3,800 square feet. The Lease term is for three (3) years, with an Option for an additional three (3) year period and at the following monthly rate:

Base Years:

4530 Camino De La Plaza, units K128 and K128A, from April 2, 2011 through April 2, 2014, \$9,120 with cam charges of \$2,090.

Option Years:

4530 Camino De La Plaza, units K128 and K128A, from April 2, 2014 through April 2, 2017 is based upon the greater of the national Consumer Price Index (CPI) or no less than a 3% increase. Based upon a 3% increase the rent is \$9,394, with cam charges of \$2,090.

The Company is in default pursuant to the terms of the lease and is working with the landlord to sublease the space. (For additional information, please see Other Matters-Note L of this report.)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J – COMMITMENTS AND CONTINGENCIES-(CONTINUED)

The Company entered into a Sub-Lease Agreement (“Lease”) with Aero Abre, Inc. (“Lessor”) on June 1, 2011 for the premise located at 1365 Grand Avenue, Suites 104 & 105, San Marcos, CA 92078. The premise governed by the lease is a retail space consisting of approximately 4,800 sq. ft. The lease term is for a three (3) year period and at the following monthly prices:

Base years:

1365 Grand Avenue, Suites 104 & 105, from June 1, 2011 through May 31, 2012 is \$5,000, including cam charges.

1365 Grand Avenue, Suites 104 & 105, from June 1, 2012 through May 31, 2013 is \$5,186, including cam charges.

1365 Grand Avenue, Suites 104 & 105, from June 1, 2013 through May 31, 2014 is \$5,360, including cam charges.

Net2Auction Corporation, an affiliate, entered into an addendum to the Lease Agreement (“Lease”) with Mars Enterprises, Inc. on May 27, 2010 for the Option years, and for the premises located at 1510 Corporate Center Drive, Otay Mesa, CA., 92154, a suburb of San Diego, CA. The premise governed by the lease is a free-standing industrial office-warehouse space consisting of approximately 21,193 square feet. The Lease term for the Option years is for two (2) years, and at the following sq. ft. prices;

Option Years

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

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.

The Company has made security deposits on the leases totaling \$45,966.

Rent expense totaled \$238,263, and \$184,160 respectively, during the years ended December 31, 2011, and December 31, 2010.

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

Since the filing of the Company’s year-end statement for the period ended December 31, 2010 and its statement for the period ended December 31, 2011, material changes have occurred to the legal proceedings reported therein. (For additional information, please see Subsequent Events-Note M. of the report.)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE L –OTHER MATTERS

On December 16, 2011, the Board of Directors, as approved by written consent of the majority shareholders in excess of 60% of the voting rights of the Company, received the approval and authorization for a reclassification or reverse split of the common stock for a 1:17,000, and filed with the State of Delaware for an amendment to the Articles of Incorporation on December 19, 2011, with an effective date of December 28, 2011. The shareholders of record on December 16, 2011 received notice of the action taken by the Board of Directors. The Company filed with FINRA and CUSIP for the reclassification of the common stock on December 23, 2011. FINRA approved the reclassification of the common stock in February of 2012 therefore the reclassification of the common stock is not reflected in the financial statements of this report and will be recorded in the 1st Qtr. filings in 2012.

The Company entered into a Asset Purchase Agreement with 88LG, Inc. in October for the sale of its retail operations, Lucky 7's retail stores, the Lucky 7's brand name, inventory, and furniture, fixtures, and equipment that was associated with the retail operations for a price to be determined by the actual costs of the inventory and FF & E, to be verified by paid invoices, checks, and bill of lading.

The Company and 88LG have been in discussions regarding the costs of the inventory and FF & E, and have referred the issues to their counsels for review. The Company has been paid to date, \$173,261.40.

The lease expenses for the retail stores was to be paid by 88LG, and assumed after a period of six (6) months, pursuant to the terms of the Agreement. The Company received notice from 88LG that the stores would be closed down on November 17, 2011.

The Company through its counsel has notified 88LG they are in breach of the agreement and 88LG has notified the Company through its counsel the Company is in breach of the agreement.

The Company and its Joint-Venture Partner on the San Marcos Lucky 7's retail store, Aero Abre, Inc. entered into a Recession Agreement of the Joint-Venture Agreement during the 3rd Qtr. of 2011. The Recession Agreement calls for the purchase of the 49% joint-venture agreement for the issuance of Fifty-Five Thousand, (55,000), shares of Preferred Series C Convertible stock with a face value of \$5.00, per share upon conversion to common stock, purchase of the furniture, fixtures, and equipment for a price of Ten Thousand, (\$10,000-US) dollars, and assumption of the lease agreement for the retail space with the landlord, repayment of the lease deposit and the first and last month's rents, in the amount of \$7,000.

The Company and Aero Abre, Inc. entered into a Recession Agreement during the 3rd Qtr. of 2011 for the purchase of its retail contracts in the State of Arizona. The Agreement calls for the issuance of Forty-nine Thousand Five Hundred (49,500) shares of Preferred Series C Convertible stock that is restricted stock with a face value of \$5.00, per share, for the repayment of the deposit in the amount of One Hundred Twelve Thousand Five Hundred (\$112,500-US) Dollars, and the loss of potential investments or interests earned on the deposit amount, and the cancellation of the note to the Company.

The Company entered into a Investment Agreement in May, 2011 with Kodiak Capital Group LLC, a Delaware Limited Liability Company, an accredited investor, for an investment to purchase \$1,000,000.00 of common stock pursuant to the provisions of Section 4(2) under the Securities Act of 1933, as amended (the "1933 Act"), Regulation A or Rule 504 (each as defined herein), and the rules and regulations promulgated there under, or any combination thereof, or upon such other exemption from the registration requirements of the 1933 Act as may be available with respect to any or all of the investments in Common Stock. Funding has not been initiated as of the filing of this quarterly report.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE L –OTHER MATTERS-(CONTINUED)

The Company entered into an Agreement in March of 2011 to sell 40% of the common stock of Lucky 7's (Four Million Eight Hundred Thousand (4,800,000), to a non-affiliate 3rd party for Five Hundred Thousand Dollars (\$500,000.00). The Agreement called for a payment in the amount of One Hundred Fifty Thousand (\$150,000.00) due on the execution of the Agreement, One Hundred Seventy-five Thousand, (\$175,000.00) due on or before July 30, 2011 and the remaining balance of One Hundred Seventy-five Thousand (\$175,000.00) due on or before November 28, 2011. The 3rd payment in the amount of \$175,000.00 was made subsequent to the filing of this report.

NOTE M - SUBSEQUENT EVENTS

FS San Ysidro, LLC, Plaintiff, vs. BizAuctions Corp., a Nevada corporation, and Delmar Janovec, an individual. The complaint was filed on January 30, 2012 in the Superior Court of California, County of San Diego South County Division, Case No. 37-2012-00074849-CU-BC-SC). The complaint is for breach of written lease and guarantees and at the time of the filing, damages were in the amount of \$24,232.74, plus legal fees incurred as a result of the breach. The complaint allows for the on-going monthly lease amount of \$11,419.00 to be added to the complaint and until the retail space is leased to a new tenant.

The Company moved its retail store operations from Corporate Center Drive to 3317 Main St., Chula Vista, CA, 91911, during the 1st Qtr. of 2012.

NOTE N - 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, 2011, the Company has available for federal income tax purposes a net operating loss carry forward of approximately (\$ 9,500,000) 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.

Components of deferred tax assets as of December 31, 2011 are as follows:

Non Current:	
Net operating loss carry forward	\$ 9,500,000
Valuation allowance	(9,500,000)

Net deferred tax asset	\$ --
	=====

BizAuctions, Inc.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE O - 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, 2011, and December 31, 2010, the Company incurred a loss from operations of \$1,611,386, and \$1,107,072 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 equity stock, loans, 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.