

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

AMERIRESOURCE TECHNOLOGIES INC
Form 10QSB
May 22, 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 March 31, 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 April 30, 2006, there were 149,156,421 outstanding shares of the issuer's common stock, par value \$0.0001.

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION	3
ITEM 1. Financial Statements	3

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

ITEM 2.	Management's Discussion & Analysis of Financial Condition & Results of Operations	4
ITEM 3.	Controls and Procedures	6
PART II - OTHER INFORMATION		7
ITEM 6.	Exhibits and Reports on Form 8-K	8
SIGNATURES		8
INDEX TO EXHIBITS		9
CERTIFICATIONS		10

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 March 31, 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 March 31, 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

	March 31, 2006 ----	December 31, 2005 ----
Current Assets:		
Cash and cash equivalents	159,603	109,357
Inventory	13,032	3,122
Accounts receivable	270	
Prepaid expenses	2,250	
Notes receivable	6,065	6,286
Total Current Assets	181,220	118,765

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Fixed Assets:		
Fixed assets at cost	175,318	169,141
Accumulated depreciation	(29,933)	(21,313)
Net Fixed Assets	145,385	147,828
Other Assets:		
Intangible assets - net of accumulated amortization	366,943	354,439
Deposits	8,880	8,880
Total Other Assets	375,823	363,319
Total Assets	702,428	629,912

The accompanying notes are integral part of Consolidated Financial Statements.

F-1

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

AMERIRESOURCE TECHNOLOGIES, INC.
AND SUBSIDIARIES
Consolidated Balance Sheets
Unaudited

	March 31 2006 ----	December 31, 2005 ----
Current Liabilities		
Accrued Expenses	69,745	50,896
Accounts Payable	87,866	68,330
Note payable - related party	59,197	53,317
Notes payable -current portion	565,000	759,513
Total Current Liabilities	781,808	932,056
Non-Current Liabilities:		
Commitments and contingencies	105,000	105,000
Total Other Liabilities	105,000	105,000
Total Liabilities	886,808	1,037,056
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

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

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	15,347	10,369
Comprehensive loss on marketable securities	(3,108)	(3,108)
Additional paid in capital	18,693,595	18,226,505
Retained earnings	(20,402,154)	(19,327,806)
Minority interest	1,510,382	685,338
Total stockholder' deficit	(184,380)	(407,144)
Total Liabilities and Stockholder's deficit	702,428	\$ 629,912

F-2

AMERIRESOURCE TECHNOLOGIES, INC.
AND SUBSIDIARIES
Consolidated Statement of Operations

	For the quarter ended March 31,	
	2006	2005
Net Service Income	108,218	\$ 0.00
Consulting Income		25,000
Revenues	108,218	25,000
Cost of Goods Sold	70,170	0
Gross Profit	38,048	25,000
Operating expenses		
General and administrative expenses	146,116	31,866
Salaries	25,000	25,000
Legal & Professional	122,555	46,869
Depreciation and amortization	13,459	2,499
Consulting	547,095	172,750
Operating loss	(816,177)	(253,984)
Other Income (Expense):		
Gain on extinguishments of debt	232,067	0
Interest income	10	0
Interest expense	(4,718)	0
Total other income (expense)	227,359	0
Minority interest	153,374	
Net Income (loss) before income tax	(435,444)	(253,984)

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

Income Tax Provision (Note 7)		0
Net Income (loss)	(435,444)	(253,984)
Earnings per share	(0.003)	(0.001)
Weighted average common shares outstanding	128,583,641	360,127,294

F-3

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

	For the three months ended March 31	
	2006	2005
Reconciliation of net loss provided by (used in) operating activities:		
Net income (loss)	\$ (435,444)	\$ (253,984)
Non-cash items:		
Depreciation	13,459	13
Non-cash services through issuance of stock	514,218	241,369
Relief of debt income	(232,067)	
Minority interest	(153,374)	
Changes in assets affecting operations (increase) /decrease		
Accounts Receivable	(270)	0
Inventory	(9,910)	0
Prepaid expenses	(2,250)	
Notes Receivables	221	6,371
Changes in liabilities affecting operations increase /(decrease)		
Accounts Payable	19,536	0
Accrued Payroll and related expenses	25,000	25,000
Accrued expenses	18,849	0
Other current liabilities		0
Net cash provided by (used in) operating activities	(249,668)	18,769
Cash flows from investing activities:		
Purchase of Fixed Assets, and intangibles	(23,520)	0
Net cash provided by (used in) investing activities	(23,520)	0
Cash flows from financing activities:		
Net increase in Notes payable	43,434	
Proceeds from issuance of stock	280,000	
Net cash provided by (used in) financing activities	323,434	0
Increase (decrease) in cash	50,246	\$ 18,769
Cash-beginning period	109,357	\$ 34,090
Cash-end of period	\$ 159,603	\$ 52,859

F-4

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

March 31, 2006
(Unaudited)

NOTE 1 - DESCRIPTION OF DEVELOPMENT STAGE ACTIVITIES

AmeriResource Technologies, Inc., formerly known as KLH Engineering Group, Inc (the Management Company), a Colorado 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 of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2006 and March 31, 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, and Auction Wagon Inc., and VoIPCOM USA, Inc. 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
March 31, 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 first quarter of 2006, the Company issued a total of 49,781,970 shares of common stock as follows:

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

1,244,620 shares of restricted common stock were issued in partial settlement of a note payable valued at \$12,446, related to AFG settlement.

43,688,640 shares of common stock were issued for consulting services valued at \$408,938. 41,553,640 shares were attributed to AMRE and 2,135,000 shares were attributed to Auction Wagon.

4,848,710 shares of common stock were issued for legal and professional services valued at \$50,684.

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 2004. Dividends are not payable until declared by the Company.

F-6

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
March 31, 2006
(Unaudited)

NOTE 3 - STOCKHOLDERS' EQUITY (continued)

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.

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

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

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
March 31, 2006
(Unaudited)

NOTE 5- NOTE PAYABLE

The Company had the following notes payable as of 3/31/06.

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 effective in the fourth quarter of 2004, 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 \$350,000
Note dated January 2006, interest is 1% per month with a 3% origination charge	\$50,000
Total notes payable	565,000
Less current portion	(565,000)
Long-term portion	\$ -

F-8

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
March 31, 2006
(Unaudited)

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

NOTE 5- NOTE PAYABLE (continued)

Maturities of notes payable at March 31, 2006, are as follows:

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

	\$ 565,000

NOTE 6 - 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
March 31, 2006
(Unaudited)

NOTE 7 - 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

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

reduce the original note.

F-10

AMERIRESOURCE TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
March 31, 2006
(Unaudited)

NOTE 7 - 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 is seeking injunctive relief and compensatory, punitive, and general damages against the Company. The Company denies all allegations in the complaint and will vigorously defend its position on the matter.

Jacques R. Behar, Plaintiff vs. AuctionWagon Inc., a California corporation. The plaintiff filed a complaint in Superior Court of California, County of Los Angeles, Beverly Hills Courthouse, West District, Case Number, 05C00539. The complaint was filed for the collection of fees associated for accounting services in the approximate amount of \$9,115.28, plus any and all court fees, that were alleged to have been provided by the plaintiff on or about March 21, 2005. The Company and its counsel have been in discussions with the plaintiff regarding a settlement as well as preparing its case to defend the Company should the complaint proceed through the Courts.

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

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

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"), and Net2Auction Corporation ("N2AC"), and AuctionWagon Inc. ("AWI"). As of May 19, 2006, the Company owned approximately 38.7% of NAUC common stock and upon conversion of the SuperVoting Preferred collectively gives AMRE 69.6% control, which owns 100% of N2AC and AWI. NAUC is publicly traded on the Pink Sheets under the stock symbol "NAUC." As of May 19, 2006, the Company owned approximately 47.15% of RBSY's common stock and upon conversion of the SuperVoting Preferred would give the Company approximately 76.2% control, which owns 100% of SSTI. RBSY is publicly traded on the Pink Sheets under the symbol "RBSY." 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.

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.

4

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.

Currently, NAUC operates forty-seven (47) drop-off locations, in addition to the twenty-three (23) affiliate locations that were acquired in our acquisition of AuctionWagon, Inc. ("AWI") on September 30, 2005. NAUC has developed numerous commercial accounts whereby NAUC liquidates the excess inventory 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, and shoes for both men and woman. 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 about the NAUC, please visit the website at www.net2auction.com.

Auction Wagon

NAUC acquired Auction Wagon, Inc ("AWI") on September 30, 2005. 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.

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

AWI's software, Store Manager Pro G2, performs virtually all of the 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. For additional information about AWI, see www.auctionwagon.com.

Auction Boulevard

On September 14, 2005, NAUC acquired assets from Netelectronics.com d/b/a Auction Boulevard ("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.

5

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.

ROBOSERVER

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

RBSY kiosks can be installed in any restaurant in the United States. RBSY also provides customers with custom software to allow the customer to operate the kiosk with optimum efficiency. To provide our customers with this custom software solutions, RBSY has partnered with a leading kiosk software development company, St. Clair Interactive Systems. St. Clair provides our customers with leading edge technology and online monitoring systems. 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. 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 is the entity that has performed all of the research and development and modifications since the POS software and self-serve technologies were acquired on or about May 15, 2004. To learn more, please visit the RBSY website at www.roboservercorp.com.

RESULTS OF OPERATIONS

Results of Operations

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 March 31, 2006 as compared to the same period in 2005.

Net Service Income for the first quarter ended March 31, 2006 increased to \$108,218 from \$0 for the same period in 2005. The operating loss increased to \$816,177 for the quarter ended March 31, 2006, as compared to an operating loss of \$253,984 for the same period in 2005.

The Company's net loss for the quarter ended March 31, 2006 increased significantly to a net loss of \$435,444, as compared to a net loss of \$253,984 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 first quarter ended March 31, 2006 as compared to the same period in 2005 are set forth below:

Expenses	2006	2005
General and Administrative	\$146,116	\$114,981
Consulting	\$547,095	\$163,201
Employee Salaries and Bonuses	\$25,000	\$25,000
Interest Expense	\$4,718	\$15,768
Legal and Professional	\$122,555	\$68,238
R&D	0	\$36,958
Total Expenses	845,484	\$424,146

The increase in these expenses for the first 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 March 31, 2006. The operating loss increase primarily due to the increased business activities of its subsidiaries, Net2Auction, Inc., Auction Wagon, Inc. and RoboServer Systems Corp.

Liquidity and Capital Resources

The Company's net cash used in operating activities for the quarter ended March 31, 2006 increased to \$249,668 as compared to cash provided by

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

operations of \$18,769 for the same period in 2005. This increase is mainly attributable to an increase in non-cash services through the issuance of stock to \$514,218 for the first quarter of 2006 as compared to \$241,369 for the first quarter of 2005, and a decrease in notes receivable from \$6,371 for the three months ended March 31, 2005 by \$221 for the three months ended March 31, 2006.

The Company's cash flow used in investing activities was \$23,520 during the first quarter of 2006, as compared to \$0 for the same period in 2005. This increase is due to purchase of fixed assets and intangibles of \$23,520.

The Company's cash flow provided by financing activities was \$323,434 during the first quarter of 2006, as compared to \$0 for the same period in 2005. This increase is due to a net increase in notes payable of \$43,434 and proceeds from the issuance of stock of \$280,000.

7

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 March 31, 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.

8

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

- (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: May 22, 2006

9

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 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.

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

(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

10

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 March 31, 2006 of the Company;
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

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

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: May 22, 2006

/s/Delmar Janovec

Delmar Janovec
Chief Executive Officer and
Principal Financial Officer

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 March 31, 2006 (the "Report"), as filed with the Securities and Exchange Commission, on the date hereof (the "Report"), the undersigned, Delmar Janovec, Chief Executive Officer

Edgar Filing: AMERIRESOURCE TECHNOLOGIES INC - Form 10QSB

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: May 22, 2006

/s/ Delmar Janovec

Delmar Janovec
Chief Executive Officer and Principal
Financial Officer