

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended DECEMBER 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number 000-29483

Pacific Sands, Inc.

(Exact Name of Registrant as specified in its charter)

Nevada

(State or Other Jurisdiction of Incorporation or Organization)

88-0322882

(IRS Employer Identification No.)

**1509 Rapids Drive
Racine, WI**

(Address of Principal Executive Offices)

53404

(Zip Code)

Issuer's Telephone Number, Including Area Code: **(262) 619-3261**

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 larger accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input checked="" type="checkbox"/>

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

Yes No

The numbers of shares outstanding of each of the issuer's classes of common equity, as of February 17, 2009, are as follows:

Class of Securities	Shares Outstanding
Common Stock, \$0.001 par value	40,236,182

Transitional Small Business Disclosure Format (check one): Yes No

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PACIFIC SANDS, INC.
BALANCE SHEETS
DECEMBER 31, 2008 AND JUNE 30, 2008

ASSETS

	December 31, 2008 (Unaudited)	June 30, 2008
Current assets:		
Cash and cash equivalents	\$ -	\$ 7,487
Trade receivables, net of allowances for doubtful accounts of \$13,602	207,775	256,427
Inventories	134,188	135,282
Prepaid expenses	-	948
Other current assets	12,104	2,268
Total Current Assets	354,067	402,412
Property and equipment, net	68,372	78,311
Other assets:		
Security deposits	5,341	816
Goodwill	877,854	861,862
	883,195	862,678
Total Assets	\$ 1,305,634	\$ 1,343,401

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Accounts payable	\$ 332,914	\$ 331,824
Current maturities of capital lease obligations	17,449	21,598
Accrued expenses	230,557	154,469
Deferred compensation	139,732	139,732
Current portion of notes payable	505,106	361,221
Total Current Liabilities	1,225,758	1,008,844
Capital leases, less current portion	27,212	33,215
Notes payable - net of discount of \$39,702 and \$61,942, less current portion	392,139	522,558
Total Liabilities	1,645,109	1,564,617
Stockholders' deficit		
Common stock (50,000,000 shares authorized, 46,845,369 and 45,308,958 shares issued and 40,236,182 and 38,699,771 shares outstanding)	46,846	45,309
Additional paid in capital	4,024,519	3,898,363
Treasury stock, at cost	(132,030)	(132,030)
Accumulated deficit	(4,278,810)	(4,032,858)
Total Stockholders' Deficit	(339,475)	(221,216)
Total Liabilities and Stockholders' Deficit	\$ 1,305,634	\$ 1,343,401

See accompanying notes.

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PACIFIC SANDS, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2008 AND 2007
(UNAUDITED)

	Three months ended December 31,		Six months ended December 31,	
	2008	2007	2008	2007
Net sales	\$ 176,999	\$ 153,234	\$ 529,805	\$ 333,041
Cost of sales	<u>120,411</u>	<u>68,580</u>	<u>282,361</u>	<u>131,443</u>
Gross profit	56,588	84,654	247,444	201,598
Selling and administrative expenses	<u>216,105</u>	<u>241,955</u>	<u>455,785</u>	<u>409,761</u>
Loss from operations	(159,517)	(157,301)	(208,341)	(208,163)
Other expense				
Interest expense	(21,522)	(5,910)	(37,610)	(8,878)
Other income	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Loss before income taxes	(181,039)	(158,211)	(245,951)	(212,041)
Income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	<u>\$ (181,039)</u>	<u>\$ (158,211)</u>	<u>\$ (245,951)</u>	<u>\$ (212,041)</u>
Basic and diluted net loss per share	<u>\$ (0.005)</u>	<u>\$ (0.005)</u>	<u>\$ (0.006)</u>	<u>\$ (0.006)</u>
Basic and diluted weighted average shares outstanding	<u>40,117,486</u>	<u>34,830,931</u>	<u>39,673,500</u>	<u>34,606,286</u>

See accompanying notes.

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PACIFIC SANDS, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2008 AND 2007
(UNAUDITED)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Net loss	\$ (245,951)	\$ (212,041)
Adjustments to reconcile net loss to net cash used in operating activities -		
Depreciation and amortization	13,085	7,080
Amortization of debt discount	23,755	-
Common shares issued for services and compensation	18,350	51,275
Changes in assets and liabilities -		
Trade accounts receivable	36,661	(57,479)
Inventories	1,094	22,131
Prepaid expenses	948	4,608
Other assets	(9,836)	4,145
Accounts payable and other current liabilities	<u>73,300</u>	<u>43,829</u>
Net Cash Used in Operating Activities	(88,594)	(136,452)
Cash flows from investing activities		
Purchases of equipment	(3,146)	-
Increase in security deposits	<u>(4,525)</u>	<u>-</u>
Net Cash Used in Investing Activities	(7,671)	-
Cash flows from financing activities		
Proceeds from common stock issued	41,169	67,000
Proceeds from notes payable	135,201	119,826
Repayment of notes payable and long term obligations	(87,592)	(48,846)
Deferred compensation payments	<u>-</u>	<u>(12,799)</u>
Net Cash Provided by Financing Activities	88,778	125,181
Net decrease in cash and cash equivalents	(7,487)	(11,271)
Cash and cash equivalents:		
Beginning of period	<u>7,487</u>	<u>13,969</u>
End of period	<u>\$ -</u>	<u>\$ 2,698</u>

See accompanying notes.

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PACIFIC SANDS, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2008 AND 2007
(UNAUDITED)

Supplemental disclosures of cash flow information:

	<u>2008</u>	<u>2007</u>
Cash paid during the period for:		
Interest	\$ 8,242	\$ 2,630
Income taxes	\$ -	\$ -
Supplemental disclosure of non cash financing and investing activities		
Conversion of debt to equity	\$ 50,000	\$ -
Deposit on acquisition utilizing common stock	\$ -	\$ 50,000
Convertible notes discount with corresponding increase to paid in capital for value of the beneficial conversion feature	\$ 18,174	\$ -

See accompanying notes.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Pacific Sands, Inc., have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in Pacific Sands, Inc's Annual Report filed with the SEC on Form 10-KSB for the year ended June 30, 2008. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for fiscal 2008 as reported elsewhere in this Form 10-Q have been omitted.

2. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Pacific Sands, Inc. with the right to do business as Natural Water Technologies (the "Company" or "Pacific Sands") was incorporated in Nevada on July 7, 1994.

Pacific Sands develops, manufactures, markets and sells a range of nontoxic, environmentally friendly cleaning and water-treatment products based on proprietary blended botanical, nontoxic and natural chemical technologies. The Company's products have applications ranging from water maintenance (spas, swimming pools, fountains, decorative ponds) to cleaning (nontoxic household and industrial) and pet care.

In mid February of 2008, the Company acquired Natural Choices Home Safe Products, LLC ("Natural Choices"), a developer and manufacturer of environmentally friendly cleaning and laundry products. The acquisition added dozens of new products to the Pacific Sands portfolio of earth, health, pet and kid -friendly offerings, including Oxy-Boost™ an oxygen-bleach based, chlorine-free bleach alternative. The Company now has a large selection of oxygen- bleach based formulations available both for retail distribution under its ecoone®, e-2 elemental earth® and Natural Choices™ brands as well as for contract manufacturing and re-label.

The Company markets and sells its product lines directly, over the Internet and through pool, spa, hardware, specialty and other retail outlets in the US, Canada and Europe. The products are also sold via Pacific Sands distributors, manufacturers' representatives and internationally established pool and spa industry distribution networks. The Company's products are also sold through numerous popular pool and spa websites. The Company's Natural Choices branded product are sold in numerous retail outlets around the country and in Europe as well as dozens of the top environmentally-oriented websites.

Inventories - Inventories are stated at the lower of cost or market on the first-in, first-out (FIFO) basis.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

Depreciation and Amortization - For financial reporting purposes, depreciation and amortization of property and equipment has been computed over estimated useful lives of two to seven years primarily using the straight-line method. Depreciation and amortization charges totaled \$13,085 and \$7,080 during the six months ended December 31, 2008 and 2007, respectively.

Revenue Recognition - Revenue is recognized when the related products are shipped.

Advertising and Promotional Costs - Advertising and promotion costs are expensed as incurred. During the six months ended December 31, 2008 and 2007 advertising and promotion costs totaled \$1,483 and \$10,323, respectively.

Income Taxes - The Company accounts for income taxes under Statement of Financial Accounting Standards (SFAS) 109. Under the asset and liability method of SFAS 109, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory rates applicable to future years to the difference between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

Effective July 1 2007, the Company adopted FASB issued FIN No. 48, *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return

Accounts Receivable - The Company makes judgments as to the collectibility of trade and other accounts receivable based on historic trends and future expectations. Management estimates an allowance for doubtful receivables, which reflects its current assessment of the collectibility of the receivables. Management believes that the current specific and general receivable reserves aggregating \$13,602 is adequate as of December 31, 2008.

Basic and Diluted Net Loss Per Share - Net loss per share is calculated in accordance with Statement of Financial Accounting Standards 128, *Earnings Per Share* ("SFAS 128"). Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

Statement of Cash Flows - For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Recent Accounting Pronouncements - The following is a summary of recent authoritative pronouncements that affect accounting, reporting and disclosure of financial information by the Company.

In September 2006 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 provides enhanced guidance for using fair value to measure assets and liabilities. SFAS No. 157 applies whenever other standards require or permit assets or liabilities to be measured at fair value. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. In February 2008, the FASB issued FASB Staff Position (“FSP”) No. 157-2, *Effective Date of FASB Statement No. 157*, which defers the effective date of SFAS No. 157 for one year for non-financial assets and liabilities, except for items that are recognized or disclosed at fair value in an entity’s financial statements on a recurring basis (at least annually). In October 2008, the FASB issued FSP No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*, which clarifies the application of SFAS No. 157 in a market that is not active. On July 1, 2008, the Company adopted the provisions of SFAS No. 157 for financial assets and liabilities recognized or disclosed at fair value on a recurring and non-recurring basis and the provisions FSP No. 157-3. The adoption of SFAS 157 did not have a material impact on the Company’s financial statements. Consistent with the provisions of FSP No. 157-2, the Company elected to defer the adoption of SFAS No. 157 for non-financial assets and liabilities measured at fair value on a non-recurring basis. The Company is in the process of evaluating these portions of the standard and therefore has not yet determined the impact that the adoption will have on its financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (SFAS 159). SFAS 159 allows entities to voluntarily choose to measure certain financial assets and liabilities at fair value (“fair value option”). The fair value option may be elected on an instrument-by-instrument basis and is irrevocable, unless a new election date occurs. If the fair value option is elected for an instrument, SFAS 159 specifies that unrealized gains and losses for that instrument be reported in earnings at each subsequent reporting date. SFAS 159 was effective for the Company on July 1, 2008. The Company did not apply the fair value option to any of its outstanding instruments and, therefore, SFAS 159 did not have an impact on the Company’s financial statements.

In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations – Revised*, that improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. To accomplish that, this statement establishes principles and requirements how the acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree, recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The changes to current practice resulting from the application of SFAS No. 141(R) are effective for financial statements issued for fiscal years beginning after December 15, 2008. The adoption of SFAS No. 141(R) before December 15, 2008 is prohibited. The Company has not determined the effect, if any, that may result from the adoption of SFAS No. 141(R) on its financial statements.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

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

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

3. GOING CONCERN

The accompanying financial statements have been presented assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of its liabilities in the normal course of business. Through December 31, 2008, the Company has incurred cumulative losses of \$4,278,810. The Company's successful transition to attaining profitable operations is dependent upon obtaining financing adequate to fulfill its development, marketing and sales activities and achieving a level of revenues adequate to support the Company's cost structure. Management's plan of operations anticipates that the cash requirements of the Company for the next twelve months will be met by obtaining capital contributions through the sale of common stock, debt financings and from current operations. However, there is no assurance that the Company will be able to fully implement its plan in order to generate the funds needed on a going concern basis.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

4. INVENTORIES

Inventories at December 31, 2008 and June 30, 2008 consisted of the following:

	December 31, 2008	June 30, 2008
Raw materials	\$ 109,660	\$ 106,862
Finished goods	24,528	28,420
Total	<u>\$ 134,188</u>	<u>\$ 135,282</u>

5. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2008 and June 30, 2008 consisted of the following:

	December 31, 2008	June 30, 2008
Furniture and office equipment	\$ 33,596	\$ 30,450
Manufacturing equipment	61,604	61,604
Leasehold improvements	3,035	3,035
Computer software	15,277	15,277
	<u>113,512</u>	<u>110,366</u>
Less accumulated depreciation and amortization	(45,140)	(32,055)
Property and equipment, net	<u>\$ 68,372</u>	<u>\$ 78,311</u>

6. GOODWILL

Under FASB Statement No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142"), goodwill and certain intangible assets are deemed to have indefinite lives and are no longer amortized, but are reviewed at least annually for impairment. SFAS 142 requires that goodwill be tested for impairment annually, utilizing the "fair value" methodology. The Company has adopted December 31st as the date of the annual impairment test for goodwill.

Goodwill impairment is determined using a two-step process. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with the net book value (or carrying amount), including goodwill. If the fair value of the reporting unit exceeds the carrying amount, goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary.

As of December 31, 2008 the Company performed its initial goodwill impairment test of the goodwill recorded with the acquisition of Natural Choices and determined that there was no impairment. As such, there was no write-down of the goodwill balance.

For the three months ended December 31, 2008, there has been no change to the Company's goodwill balance of \$877,854.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

7. ACCRUED EXPENSES

Accrued expenses at December 31, 2008 and June 30, 2008 consisted of the following:

	December 31, 2008	June 30, 2008
Accrued compensation	\$ 146,616	\$ 71,484
Accrued payroll withholding taxes	45,286	33,497
Accrued professional fees	31,500	38,964
Accrued other	7,155	10,524
Total	\$ 230,557	\$ 154,469

8. NOTES PAYABLE AND CAPITAL LEASE OBLIGATIONS

Notes payable at December 31, 2008 and June 30, 2008 consisted of the following:

	December 31, 2008	June 30, 2008
Dell Financial Services – line of credit	\$ 14,039	\$ 10,632
J.P. Morgan Chase – business line of credit	99,842	99,589
Notes payable stockholders and directors	45,225	25,000
Notes payable – settlement obligation	62,500	80,500
Notes payable – acquisition, net of discount	610,298	668,058
Notes payable – investors, net of discount	65,341	--
	897,245	883,779
Less current maturities	505,106	361,221
	\$ 392,139	\$ 522,558

On October 1, 2008, the Company executed convertible notes payable (the “Notes”) to eight investors for a total of \$82,000. Interest accrues at a rate of 12% per annum and is payable quarterly. The Notes mature on October 1, 2011 at which time all outstanding principal is payable in full in the form of freely tradable common stock of the Company at an agreed upon conversion price of \$0.10 (ten cents) per share. The Company shall have the right, but not the obligation, to pay up to one half of the principle balance in cash. Pursuant to a Stock Pledge Agreement dated October 1, 2008, each Note is secured by the number of shares of common stock of the Company necessary to satisfy the entire principal amount at the agreed upon price of \$0.10 per share.

The Company allocated the proceeds received to the principal amount of the Notes and the beneficial conversion feature based upon the relative fair value which was determined using a Black Scholes pricing model. The fair value of the beneficial conversion feature has been recorded as debt discount and additional paid in capital. The debt discount recorded of \$18,174 is being amortized over the three-year term of the Notes and the carrying amount is presented net of the unamortized discount.

As of December 31, 2008 and June 30, 2008, the Company had capital lease obligations of \$44,661 and \$54,813, respectively.

The scheduled annual maturities for notes payable and capital lease obligations were as follows at December 31,

2009	\$ 522,555
2010	379,196
2011	93,411
2012	3,105

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

9. STOCKHOLDERS' EQUITY

On August 5, 2008, the Company issued 100,000 shares of its common stock to a consultant for services performed. The fair market value of the shares on the date issued was \$0.0725 per share. The Company recorded consulting fee expense of \$7,250 related to the issuance of these shares.

On August 5, 2008 the Company issued 80,000 shares of its common stock to its four directors and 40,000 shares of its common stock to a consultants for services performed. The fair market value of the shares on the date issued was \$0.075 per share. The Company recorded compensation expense of \$8,700 related to the issuance of these shares.

On August 5, 2008, the Company issued 625,000 shares of its common stock as partial payment of the note payable for the purchase price for the acquisition of Natural Choices Home Safe Products, LLC. The shares had a value of \$50,000 on the date they were issued.

On September 30, 2008, the Company issued 372,724 shares of its common stock to an unrelated investor for a cash investment of \$26,863.

On September 30, 2008, the Company issued 198,687 shares of its common stock to an employee for a cash investment of \$14,305.

On December 31, 2008 the Company issued 80,000 shares of its common stock to its four directors and 40,000 shares of its common stock to a director for consulting services provided to the Company. The fair market value of the shares on the date issued was \$0.02 per share. The Company recorded compensation expense of \$2,400 related to the issuance of these shares.

10. LEASE COMMITMENTS

The Company entered into a two year operating lease expiring March 31, 2010 for approximately 12,000 square feet of office and warehouse space for \$3,750 per month. The Company is responsible for insuring the premises. Rent expense was approximately \$11,250 and \$11,919 for the six months ended December 31, 2008 and 2007, respectively.

Minimum future annual payments under operating leases were as follows at December 31,

2009	\$	45,000
2010		11,250

11. LOSS PER SHARE

Basic loss per common share is based on the weighted average number of common shares outstanding in each period and net earnings. Diluted earnings per common assumes that outstanding common shares were increased by shares issuable upon exercise of those stock options for which market price exceeds exercise price, less shares which could have been purchased by the Company with related proceeds.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

The following table sets forth the computation of basic and diluted earnings per share.

	Three Months Ended		Six Months Ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Numerator				
Basic and diluted loss	\$ (181,039)	\$ (158,211)	\$ (245,951)	\$ (212,041)
Denominator				
Basic and diluted earnings per share- weighted average shares outstanding	40,117,486	34,830,931	39,673,500	34,606,286
Basic and diluted loss per common share	\$ (0.005)	\$ (0.005)	\$ (0.006)	\$ (0.006)

Outstanding stock options were not included in the computation of diluted earnings per common share for the six month periods ended December 31, 2008 and 2007 since it would have resulted in an antidilutive effect.

Anti-dilutive securities not included in the net loss per share calculation:

	December 31, 2008	December 31, 2007
Stock options	3,000,000	3,000,000

12. INCOME TAXES

The Company recognizes deferred tax assets and liabilities for temporary differences between the financial reporting and tax bases of its assets and liabilities. Deferred assets are reduced by a valuation allowance when deemed appropriate.

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PACIFIC SANDS, INC
NOTES TO FINANCIAL STATEMENTS

The tax effects of existing temporary differences that give rise to significant portions of deferred tax assets at December 31, 2008 and June 30, 2008 are as follows:

	December 31, 2008	June 30, 2008
Net operating loss carryforwards	\$ 1,345,000	\$ 1,242,000
Deferred compensation	85,000	92,000
Accounts receivable allowance	6,000	6,000
Valuation allowance	(1,436,000)	(1,340,000)
Net deferred tax asset	<u>\$ --</u>	<u>\$ --</u>

At December 31, 2008, the Company has net operating loss carryforwards for Federal tax purposes of approximately \$3,202,000 which, if unused to offset future taxable income, will expire in years beginning in 2018.

13. RELATED PARTY TRANSACTION

Two of the current officers of the Company have agreed to defer a substantial portion of their salaries until such time as it may be paid. As of December 31, 2008, the deferred compensation for these two officers was \$139,732. In addition, accrued salaries and wages include approximately \$87,000 owed to the two officers. Prior to accepting the position as an officer of the Company, one of the current officers agreed to defer \$11,500 of his professional consulting services which is still unpaid as of December 31, 2008. No amounts were charged to deferred compensation during the three and six months ended December 31, 2008 and 2007 and no deferred compensation payments were made during the three and six months ended December 31, 2008. Deferred compensation payments for the three and six months ended December 31, 2007 were \$9,999 and \$12,799, respectively.

14. CONCENTRATIONS

For the six months ended December 31, 2008 and 2007, one customer accounted for approximately 16% and 37% of the Company's sales, respectively. At December 31, 2008 and 2007, one customer's balance represented approximately 37% and 53% of the Company's trade receivables, respectively.

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Item 2. Management Discussion and Analysis of Financial Condition and Results of Operation

THIS REPORT CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. ALL FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN AS THEY ARE BASED ON CURRENT EXPECTATIONS AND ASSUMPTIONS CONCERNING FUTURE EVENTS OR FUTURE PERFORMANCE OF THE COMPANY. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH ARE ONLY PREDICTIONS AND SPEAK ONLY AS OF THE DATE HEREOF. FORWARD-LOOKING STATEMENTS USUALLY CONTAIN THE WORDS "ESTIMATE," "ANTICIPATE," "BELIEVE," "EXPECT," OR SIMILAR EXPRESSIONS, AND ARE SUBJECT TO NUMEROUS KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES. IN EVALUATING SUCH STATEMENTS, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW VARIOUS RISKS AND UNCERTAINTIES IDENTIFIED BELOW, AS WELL AS THE MATTERS SET FORTH IN THE COMPANY'S ANNUAL REPORT ON 10-KSB FOR THE YEAR ENDED JUNE 30, 2007 AND ITS OTHER SEC FILINGS. THESE RISKS AND UNCERTAINTIES COULD CAUSE THE COMPANY'S ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED IN THE FORWARD-LOOKING STATEMENTS. THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE OR PUBLICLY ANNOUNCE REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT FUTURE EVENTS OR DEVELOPMENTS.

General

Pacific Sands, Inc. (the "Company" or "Pacific Sands") was incorporated in the State of Nevada on July 7, 1994. The Company's fiscal year ends June 30. The Company is a C-Corporation for federal income tax purposes. The Company does not have subsidiaries or affiliated entities. The Company also does business as "Natural Water Technologies" and ecoONE Marketing Group.

The Company develops, manufactures, markets and sells a range of non-toxic, environment friendly cleaning and water-treatment products based on proprietary blended botanical and nontoxic chemical technologies. The Company's products have applications ranging from water installation maintenance (spas, swimming pools, fountains, decorative ponds) to cleaning (non-toxic household and industrial) and pet care.

The Company has a mature, actively marketed product line known as the ecoONE® Spa Treatment system as well as ecoONE® Pool conditioner and the Pacific Sands All-Purpose Hose Filter. Pacific Sands is also the master distributor for Rain Forest Blue, an EPA Registered chlorine and bromine free, non irritating, odor free, bactericide / algaecide alternative for the treatment of pool water.

In mid February of 2008, the Company acquired Natural Choices Home Safe Products, LLC ("Natural Choices"), a developer and manufacturer of environmentally friendly cleaning and laundry products. The acquisition added dozens of new products to the Pacific Sands portfolio of earth, health, pet and kid-friendly offerings, including Oxy-Boost™ an oxygen-bleach based, chlorine-free bleach alternative. The Company now has a large selection of oxygen- bleach based formulations available both for retail distribution under its ecoone®, e-2 elemental earth® and Natural Choices™ brands as well as for contract manufacturing and re-label.

The Company markets and sells its product lines directly, over the Internet and through pool, spa, hardware, specialty and other retail outlets in the US, Canada and Europe. The products are also sold via Pacific Sands distributors, manufacturers' representatives and internationally established pool and spa industry distribution networks. The Company's products are also sold through numerous popular pool and spa websites. The Company's Natural Choices branded product are sold in numerous retail outlets around the country and in Europe as well as dozens of the top environmentally-oriented websites.

The Company's goal is to achieve sustained and significant profitability through revenues achieved by marketing and sale of its nontoxic, earth, health and kid-friendly, ecoONE® Pool, Spa, Household Cleaning and other product lines.

In July of 2004, management began the implementation of a three year market saturation strategy for the ecoONE® line of pool and spa products. The strategy has been very successful to date, resulting in sharp increases in sales, dealer and distributor outlets and industry recognition.

Management intends to continue the aggressive marketing and sale of its products through direct retail and a widening base of retail outlets, distribution centers and OEM arrangements in order to achieve its goals.

The Company's ability to achieve its objectives is dependent on its ability to sustain and enhance its revenue stream and to continue to raise funds through loans, credit and the private placement of restricted securities until such time as the Company achieves sustained fiscal profitability.

To date, the Company has funded operations through a combination of revenues from the sale of its products, established credit with vendors, a bank line of credit and the sale of rule 144 stocks through private placement. The Company's failure to continue to raise adequate financing to fund operations may jeopardize its existence. (See "Liquidity and Capital Resources")

Management knows of no additional trends or uncertainties beyond those discussed that are reasonably likely to have a material impact on the Company's short or long-term liquidity.

RESULTS OF OPERATIONS

Results for the three months ending December 31, 2008 compared to the three months ending December 31, 2007.

For the three months ending December 31, 2008 net sales were \$176,999, an increase of 16% over net sales of \$153,234 for the same period in 2007. Sales of the Natural Choices products accounted for approximately \$92,000 of the total sales for the three months ended December 31, 2008. Therefore, sales of pool and spa products decreased 44% since net sales for the three months ended December 31, 2007 was entirely from pool and spa products as Natural Choices was acquired in February 2008. The decrease in pool and spa products is attributable primarily to general economic conditions. Many of the Company's retail customers, including its largest customer, cut back on stocking orders due to cash flow concerns. As a result sales volume for the quarter was down considerably.

For the three months ended December 31, 2008, cost of goods sold was \$120,411 compared to \$68,580 for the same period in the previous fiscal year. The Company's gross margin decreased from 55% for the three months ended December 31, 2007 to 32% for the current fiscal quarter. The significant decrease is due in large part to lower gross margins recognized on the products acquired from Natural Choices. This is particularly true of many of the private label products which constitute a significant portion of the Natural Choices product sales. Prior to the acquisition, Natural Choices manufactured the majority of their liquid and powder cleaning and laundry products through contract manufacturers, adding significantly to the cost of manufacturing those products. In the fourth quarter of fiscal 2008, the Company made significant capital expenditures, including building an in-house powder filling facility, and is in the process of moving away from contract manufacturers. However, during the three months ended December 31, 2008, products representing a significant percentage of the Company's sales were still being manufactured by third parties contributing to the margin decrease. Management believes that as the Company moves away from contract manufacturers it will enjoy higher margins on the Natural Choices product line.

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For the three months ending December 31, 2008 and 2007, selling and general administrative expenses were \$216,105 and \$241,955, respectively. The decrease in operating expenses is explained in large part by a decrease in accounting, professional and legal fees. Overall, these expenses decreased by approximately \$30,000 for the three months ended December 31, 2008 compared to the three month period ended December 31, 2007. Accounting and consulting fees charged by independent contractors dropped by \$9,000. Legal fees incurred during the three months ended December 31, 2007 totaled \$23,000 and were almost entirely related to the litigation involving the Company's former CEO which was settled in December 2007. Legal fees for the three months ended December 31, 2008 were approximately \$1,600. Additionally, advertising expenses decreased from \$6,000 in the first quarter in fiscal 2008 to \$1,000 in the first quarter in fiscal 2009. These decreases in operating expenses were partially offset by the salary additions of the former officers of Natural Choices Home Products, both of whom are now employees of the Company.

Interest expense for the three months ended December 31, 2008 was \$21,522 compared to \$5,910 for the three months ended December 31, 2007. During the three months ended December 31, 2008, the Company amortized \$10,915 of the discount of the note payable recorded upon the acquisition of Natural Choices in February 2008 and amortized an additional \$1,515 of debt discount for the convertible notes. The Company also recorded accrued interest of approximately \$2,500 for the convertible notes, which is payable quarterly.

Net loss for the three months ended December 31, 2008 was \$181,039 or \$0.005 per share compared to a net loss of \$158,211 or \$0.005 per share for the same period in fiscal 2007.

Results for the six months ending December 31, 2008 compared to the six months ending December 31, 2007

For the six months ending December 31, 2008 net sales were \$529,805 compared to net sales of \$333,041 for the same period in 2007. The increase of 59% in sales is attributable to the additional sales recorded as a result of the acquisition of Natural Choices. Sales of Natural Choices products totaled approximately \$231,000 during the six months ended December 31, 2008.

Gross profit for the six months ending December 31, 2008 was \$247,444 or 47% compared to \$201,598 or 60% for the six months ending December 31, 2007. The decrease of 13% is due in large part to lower gross margins recognized on the products acquired from Natural Choices. This is particularly true of many of the private label products which constitute a significant portion of the Natural Choices product sales. Prior to the acquisition, Natural Choices manufactured the majority of their liquid and powder cleaning and laundry products through contract manufacturers, adding significantly to the cost of manufacturing those products. In the fourth quarter of fiscal 2008, the Company made significant capital expenditures, including building an in-house powder filling facility, and is in the process of moving away from contract manufacturers. However, during the six months ended December 31, 2008, products representing a significant percentage of the Company's sales were still being manufactured by third parties contributing to the margin decrease. Management believes that as the Company moves away from utilizing contract manufacturers it will enjoy higher margins on sales of the Natural Choices products.

For the six months ending December 31, 2008, selling and general administrative expenses were \$455,785 compared to \$409,761 for the six months ending December 31, 2007. During the six months ended December 31, 2008 salaries and wage expense charged to operations was approximately \$272,000 compared to \$197,000 for the same period last year. A significant amount of the salary increases come from the addition of the two former officers of Natural Choice Home Products who became employees of the Company upon the acquisition in February of 2008. In addition, the Company hired additional warehouse personnel after the acquisition to accommodate the additional sales volume. Although salaries increased \$75,000, the over all increase in operating expenses for the six months ended December 31, 2008 over December 31, 2007 was only \$46,000. Legal and professional fees decreased nearly \$40,000 during the six months ended December 31, 2008 compared to the same period last year. As discussed previously, operating expenses during the six months ended December 31, 2007 included legal fees incurred for the litigation involving the Company's former CEO which was settled in December 2007.

Interest expense of \$37,610 for the six months ended December 31, 2008 includes \$22,240 discount amortization for the note payable recorded upon the acquisition of Natural Choices in February 2008 and amortized an additional \$1,515 of debt discount for the convertible notes. The Company also recorded accrued interest of approximately \$2,500 for the convertible notes, which is payable quarterly. Interest expense for the six months ended December 31, 2007 was \$8,878. Additionally, during the six months ended December 31, 2007 the Company recorded other income of \$5,000 for the reversal of accrued interest on deferred compensation owed to a former officer. The accrued interest was reduced by \$5,000 in December 2007 pursuant to the terms of a settlement agreement between the Company and the former officer.

Net loss for the six months ended December 31, 2008 was \$245,951 or \$0.006 per share compared to a net loss of \$212,041 or \$0.006 per share for the same period in fiscal 2008.

LIQUIDITY AND CAPITAL RESOURCES

Management believes that the Company is positioned for sales growth but will require additional funding to continue operations. The Company's ability to achieve its objectives is dependent on its ability to sustain and enhance its current revenue stream and to continue to raise funds through loans, vendor credit and the private placement of restricted securities until such time as the Company sustains fiscal profitability. To date, the Company has funded operations and expansion through a combination of revenues from the sale of its products, established credit with vendors, deferred salaries and the sale of rule 144 stock through private placement. The Company's failure to continue to raise adequate financing to fund planned expansion may jeopardize its plans for growth.

At December 31, 2008, the Company had current assets of \$354,067 and total assets of \$1,305,364, compared to June 30, 2008 when current assets were \$402,412 and total assets were \$1,343,401. The decrease in current assets is attributable primarily to decreases in accounts receivable from \$256,427 at June 30, 2008 to \$207,775 at December 31, 2008. Non current assets include goodwill resulting from the acquisition of Natural Choices in the amount of \$877,854 which increased from \$861,862 at June 30, 2008 as a result of adjustments to purchase price allocations during the six months ended December 31, 2008,

Current liabilities at December 31, 2008 were \$1,225,758. Current liabilities include accounts payable, capital lease obligations and accrued expenses totaling approximately \$578,000. At December 31, 2008, the Company had outstanding line of credit balances with banks totaling \$114,000. Current liabilities also include \$36,000 in payments due to a former officer pursuant to a settlement agreement executed in December 2007. The current portion of the debt obligation incurred for the acquisition of Natural Choices was \$310,000 at December 31, 2008. The non current portion of the debt is \$340,000. The remaining debt is payable in cash and the Company's restricted common stock over a two year period.

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Long term liabilities at December 31, 2008 include amounts due pursuant to the settlement agreement involving the Company's former CEO of \$26,500, and the non-current portion of the debt incurred to acquire Natural Choices of approximately \$300,000, net of unamortized debt discount. Long-term capital lease obligations were \$27,212 at December 31, 2008. Additionally, on October 1, 2008, the Company executed notes payable (the "Notes") to eight investors for a total of \$82,000. Interest accrues at a rate of 12% per annum and is payable quarterly. The Notes mature on October 1, 2011 at which time all outstanding principal is payable in full in the form of freely tradable common stock of the Company at an agreed upon conversion price of \$0.10 (ten cents) per share. The Company shall have the right, but not the obligation, to pay up to one half of the principal balance in cash. Pursuant to a Stock Pledge Agreement dated October 1, 2008, each Note is secured by the number of shares of common stock of the Company necessary to satisfy the entire principal amount at the agreed upon price of \$0.10 per share. The Company used the proceeds from the debt to fund current operations.

Net cash used in operating activities during the six months ended December 31, 2008 was \$88,594 compared to \$136,452 used in operating activities during the three months ended December 31, 2007. The increase in operating cash flow is due in large part to cash being provided by accounts receivable in the amount of approximately \$37,000 during the six months ended December 31, 2008 as compared to approximately \$57,000 of cash being used during the same period last year.

Net cash used in investing activities was \$7,671 during the six months ended December 31, 2008. The Company purchased computer equipment totaling approximately \$3,200 and paid security deposits of \$4,500. The Company did not use any cash for investing during the six months ended December 31, 2007.

Net cash provided by financing activities was \$88,778 and \$125,181 for the six months ended December 31, 2008 and 2007, respectively. During the six months ended December 31, 2008, the Company issued restricted common stock for cash totaling \$41,169 and also received proceeds from borrowings in the amount of \$135,201. During the six months ended December 31, 2007, the Company executed a bank line of credit for \$100,000. Proceeds from financing activities were used to fund operations and to meet current obligations of notes payable.

On December 31, 2008 the Company had an accumulated deficit of \$4,278,810 and total stockholders' deficit of \$339,475.

The Company's ability to achieve its objectives is dependent on its ability to sustain and enhance its revenue stream and to continue to raise funds through loans, credit and the private placement of restricted securities until such time as the Company achieves profitability. To date, management has been successful in raising cash on an as-needed basis for the continued operations of the Company. There is no guarantee that management will be able to continue to raise needed cash in this fashion.

The Company has no material commitments for capital expenditures at this time. The Company has no "off balance sheet" source of liquidity arrangements.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

An investment in the common stock of the Company involves a high degree of risk. In addition to the other information in this report, the following risk factors should be considered carefully in evaluating the Company and its business. This Report contains forward-looking statements. All forward-looking statements are inherently uncertain as they are based on current expectations and assumptions concerning future events or future performance of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. Forward-looking statements usually contain the words "estimate," "anticipate," "believe," "plan," "expect," or similar expressions, and are subject to numerous known and unknown risks and uncertainties. In evaluating such statements, prospective investors should review carefully various risks and uncertainties identified in this report, including the matters set below and in the Company's other SEC filings. These risks and uncertainties could cause the Company's actual results to differ materially from those indicated in the forward-looking statements. The Company undertakes no obligation to update or publicly announce revisions to any forward-looking statements to reflect future events or developments.

THE COMPANY HAS EXPERIENCED LOSSES FROM OPERATIONS SINCE COMMENCING OPERATIONS:

With the exception of 4th quarters of fiscal 2007 and 2006, the Company since commencing operations, has not been profitable on an annual or quarterly basis. The Company cannot guarantee that recent quarterly profitability will continue on a quarter by quarter basis. The Company may not, in the future, generate sufficient revenues to achieve sustainable profitability.

POSSIBLE DIFFICULTY FINANCING PLANNED GROWTH:

The Company's present plans require an amount of expenditure and working capital. In the future the Company will require financing in addition to the cash generated from operations to fund planned growth. If additional resources are unavailable the Company may be unable to grow according to its present plan.

MANAGEMENT'S ASSUMPTIONS REGARDING THE FUTURE MARKET MAY BE FAULTY:

Management assumes there will be a continuing and increased desirability in the retail market for nontoxic, environment and health friendly products for cleaning and water treatment use. Should management's assumptions as to this increased desirability be faulty, the Company may have difficulty achieving its planned growth.

THE LOSS OF KEY PERSONNEL COULD ADVERSELY AFFECT THE COMPANY:

The Company is run by a small number of key personnel. Should the Company experience a loss of these key people due to their inability or unwillingness to continue in their present positions, the Company's business and financial results could be adversely affected.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based upon an evaluation of the effectiveness of disclosure controls and procedures, our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have concluded that as of the end of the period covered by this Quarterly Report on Form 10-Q our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act) were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the SEC and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

As reported in our Annual Report on Form 10-KSB for the year ended June 30, 2008, management is aware that there is a significant deficiency in our internal control over financial reporting. The significant deficiency relates to a lack of segregation of duties due to the small number of employees involvement with general administrative and financial matters. However, management believes that compensating controls are in place to mitigate the risks associated with the lack of segregation of duties. Compensating controls include outsourcing certain financial functions to an independent contractor. Management concluded that internal controls over financial reporting were effective as of June 30, 2008.

There have not been any changes in the Company's internal control over financial reporting during the quarter ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

PART II OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

None

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3 – DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4 – SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 – OTHER INFORMATION

None

ITEM 6 – EXHIBITS

(a) Exhibit Index

Exhibit Description of the Exhibit

[31.1 Chairman of the Board Certification of Periodic Financial Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

[31.2 Chief Financial Officer Certification of Periodic Financial Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

[32.1 Chairman of the Board Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

[32.2 Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.](#)

SIGNATURES

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

PACIFIC SANDS, INC.

Dated: February 17, 2009

By: /s/ Michael Wynhoff
Michael Wynhoff
Chief Executive Officer

Dated: February 17, 2009

By: /s/ Michael Michie
Michael Michie
Chief Financial Officer

EXHIBIT 31.1

**Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael L. Wynhoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pacific Sands, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Dated: February 17, 2009

/s/ Michael L. Wynhoff
Michael L. Wynhoff
Chief Executive Officer

EXHIBIT 31.2

**Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael D. Michie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pacific Sands, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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 registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Dated: February 17, 2009

/s/ Michael D. Michie
Michael D. Michie
Chief Financial Officer

**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 Pacific Sands, Inc. (the "Company") on Form 10-Q for the quarter ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael L. Wynhoff, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of section 13 (a) or 15 (d), as applicable 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: February 17, 2009

/s/ Michael L. Wynhoff
Michael L. Wynhoff
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Pacific Sands, Inc. and will be retained by Pacific Sands, Inc and furnished to the Securities and Exchange Commission or its staff upon request.

**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 Pacific Sands, Inc (the "Company") on Form 10-Q for the quarter ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael D. Michie, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of section 13 (a) or 15 (d), as applicable 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: February 17, 2009

/s/ Michael D. Michie
Michael D. Michie
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Pacific Sands, Inc. and will be retained by Pacific Sands, Inc and furnished to the Securities and Exchange Commission or its staff upon request.
