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10-K	nafs_10k.htm	FORM 10-K
EX-31.1	nafs_ex311.htm	CERTIFICATION
EX-32.1	nafs_ex321.htm	CERTIFICATION

Module and Segment References

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

FORM 10-K

(Mark One)

ANNUAL REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2016**

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-54757**

North America Frac Sand, Inc.

(Exact Name of Registrant as specified in its charter)

Florida

*(State or jurisdiction of
Incorporation or organization)*

20-8926549

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

**Unit 1 – 550 Browning Place, North Vancouver, British
Columbia, Canada**

(Address of principal executive offices)

V7H 3A9

(Zip Code)

Registrant's telephone number, including area code **778-772-8184**

Securities registered under Section 12(b) of the Exchange Act:

Title of each class

None

Name of each exchange on which registered

N/A

Securities registered under Section 12(g) of the Exchange Act

Common Stock, \$0.00001 par value

(Title of class)

Securities registered pursuant to Section 12(b) of the Act:

Title of each share

None

Name of each exchange on which registered

None

Securities registered pursuant to Section 12 (g) of the Act:

Common Stock

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definition of "large accelerated filer", "accelerated filer" and "small reporting company" Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Small reporting company	<input checked="" type="checkbox"/>
(Do not check if a small reporting company)			

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recent completed second fiscal quarter. On April 26, 2017, the market value of the 55,915,448 shares held by non-affiliates was \$473,165.

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

April 26, 2017: 55,915,448 common shares

DOCUMENTS INCORPORATED BY REFERENCE

Listed hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; (3) Any prospectus filed pursuant to Rule 424 (b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes.

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Special Note Regarding Forward Looking Statements.

This annual report on Form 10-K of North America Frac Sand, Inc. for the year ended December 31, 2016 contains certain 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, which are intended to be covered by the safe harbors created thereby. To the extent that such statements are not recitations of historical fact, such statements constitute forward looking statements which, by definition involve risks and uncertainties. In particular, statements under the Sections; Description of Business, Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward looking statements. Where in any forward looking statements, the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

The following are factors that could cause actual results or events to differ materially from those anticipated, and include but are not limited to: general economic, financial and business conditions; changes in and compliance with governmental regulations; changes in tax laws; and the cost and effects of legal proceedings.

You should not rely on forward looking statements in this annual report. This annual report contains forward looking statements that involve risks and uncertainties. We use words such as "anticipates," "believes," "plans," "expects," "future," "intends," and similar expressions to identify these forward-looking statements. Prospective investors should not place undue reliance on these forward looking statements, which apply only as of the date of this annual report. Our actual results could differ materially from those anticipated in these forward-looking statements.

PART I

Item 1. Business

DESCRIPTION OF BUSINESS

North America Frac Sand, Inc. is a Florida corporation, (the "Company"). The Company's name, as incorporated, was New Found Shrimp, Inc. The Company has been providing marketing of consulting services primarily to independent aquatic farming operators and other market participants located in the Midwest of the United States of America (the "U.S."). Historically, we conducted initial marketing and sales activities to take advantage of opportunities related to time, location and quality of aquatic farming operations. We have conducted our operations primarily in Indiana.

We were founded in April 2007 in Indianapolis, Indiana. In June of 2012 we changed our domicile from the state of Indiana to the State of Florida. On February 9, 2015 David Copp resigned as CEO and Director, and David Alexander has been appointed CEO and President.

In 2014, we reviewed opportunities in the modular building systems markets in Alberta, Canada. At that time, we changed our name, from New Found Shrimp Inc., to Innovate Building Systems Inc, and subsequently to Xterra Building Systems Inc. On July 10, 2015, we entered into a share purchase agreement with Canadian Sandtech Inc. ("CSI") to acquire 100% of the issued and outstanding shares of North America Frac Sand (CA) Ltd. ("NAFS-CA") by issuing to CSI 37,800,000 shares of the Company into escrow. At that time, we changed our name from Xterra Building Systems to North America Frac Sand Inc.

NAFS-CA was incorporated in Alberta on June 8, 2015 and was a wholly owned subsidiary of CSI. NAFS-CA owns approximately 30,000 acres of mineral leases about 30 kilometers east of Saskatchewan, Canada, called the Eagle Creek leases. On August 29, 2016 these leases were assigned to the Company.

A description of the Eagle Creek mineral leases is as follows:

<u>Lease</u>	<u>Description of Lease</u>	<u>Lease Rate</u>
# 1	Section 11, NE ¼ of Section 2, N (½) of Section 3, in Township 38, Range 10, West of the 3 rd Meridian, as to the surface rights referenced in the Certificate of Title.	Up front payment of \$3,000. Ten-year lease dated July 17, 2015, automatically extended for second 10 years if royalties are being paid. Lease rate is \$1 per acre per year. Royalty rate is \$5.00 per ton of processed ore sold at \$80 per metric ton or less, and \$5.00 plus the 10% of the difference between sales price greater than \$80 and \$80 per metric ton.
# 2	West ½ of Section 2, Township 38, Range 10, West of the 3 rd Meridian, portion of NW (¼) of Section 35 on Township 37, Range 10, West of the 3 rd Meridian, as to the surface rights referenced in the Certificate of Title.	Ten-year lease dated June 21, 2008, automatically extended for second 10 years if royalties are being paid. Lease rate is \$1 per acre per year. Royalty rate is \$3.00 per ton if 25% waste, \$4.00 per ton if 20% waste, and \$5.00 per ton if 15% or less waste.

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There has been significant exploration activity on 1,680 acres of the Eagle Creek property. Since 2008, CSI has drilled 173 holes on the Eagle Creek property. 149 of the drill holes were 300-foot spacing. 7 drill holes and 17 backhoe holes were 600-foot spacing. The average sand thickness per hole was 10.5 feet and the size of the tested area was approximately 12.9 million square feet. With respect to frac sand, there are approximately 75 lbs. of frac sand per cubic foot. CSI transferred ownership of the Eagle Creek property to its wholly owned subsidiary NAFS-CA in early August 2015. A summary of the activities undertaken on the property to date is as follows:

<i>Date</i>	<i>Description of activities</i>
Aug-Oct 2008	CSI recognized the sand qualities on the leased property and the fact that these sands warranted further testing. This led to CSI entering into lease agreements.
Jun 2009	CSI tested 107 holes backhoed under the supervision of Independent Engineer Green Engineering Ltd. ("GEL") and determined that significant quantities of suitable sand were present and that additional testing from an Independent engineer was required.
Nov-Dec 2009	CSI core drilled 66 holes under the supervision of Independent Engineer GEL and began lab testing of core samples.
June 2010	Saskatchewan Government confirmed CSI's sand deposit (frac sands) fall under "Sand and Gravel" and are the property of the surface right holder. No disposition under the Quarry Regulations, 1957 was required to exploit the frac sand deposit.
Nov 2010 – Jan 2013	Further laboratory testing was conducted by SGS & Met Solve Labs and results determined the sands tested passed American Petroleum Industry (API) standards.
Jan 2013 - Current	CSI began gathering production data, plant design and cost, financial data and compiled other data to assist in the preparation of a NI 43-101 report required for additional financing.

Our Plan of Operation for the next twelve months is to raise approximately \$2 million in capital financing. The proceeds of this financing would first be used to complete a NI-43-101 report. If recommended to by the NI-43-101 report, it is our intention to continue to drill out the property, to establish the both the size and quality of the frac sand resource evident on the mineral leases, and to provide working capital to the Company. The Company has continued to borrow funds from its management. With some of these funds the Company has entered into a loan agreement with NAFS-CA, utilizing the mining leases as collateral for any advances made by the Company. As a consequence of this arrangement, NAFS-CA has been able to retain Northwest Corporation, a Calgary based mineral engineering company, to conduct certain development work on the mineral leases for the purpose of determining the presence of and economic resource and completing a NI-43-101 Report, as well as to pay the annual minimum lease payments on the mineral leases and thereby keep mineral leases in good standing. The field work initially was to compile previously completed mineral testing results and to write an NI-43-101 Report based on this data. However, the integrity of the data obtained was such that additional development work was required. This work includes an Auger Drilling Field Program, as well as additional assay and other tests, are currently underway

Although we are not presently engaged in any other capital raising activities, we anticipate that we may engage in one or more private offerings of our company's securities. We would most likely rely upon the transaction exemptions from registration provided by Regulation D, Rule 506 or conduct a private offering under Section 4(2) of the Securities Act of 1933.

The implementation of our business strategy is estimated to take approximately 12 months. Once we are able to secure funding, implementation will begin immediately. The major parts of the strategy to be immediately implemented will be the sales and marketing and office equipment and human resource procurement.

Industry Overview

Frac Sand Industry

The practice of fracturing reservoir rock in the United States as a method to increase the flow of oil and gas from wells has a relatively long history and can be traced back to 1858 in Fredonia, New York, when a gas well situated in shale of the Marcellus Formation was successfully fractured using black powder as a blasting agent. Nearly all domestic hydraulic fracturing, often referred to as hydro-fracking or fracking, is a process where fluids are injected under high pressure through perforations in the horizontal portion of a well casing in order to generate fractures in reservoir rock with low permeability (“tight”). Because the fractures are in contact with the well bore they can serve as pathways for the recovery of gas and oil. To prevent the fractures generated by the fracking process from closing or becoming obstructed with debris, material termed “proppant,” most commonly high silica sand, is injected along with water-rich fluids to maintain or “prop” open the fractures. The first commercial application of fracking in the oil and gas industry took place in Oklahoma and Texas during the 1940s. In 1949, over 300 wells, mostly vertical, were fracked (ALL Consulting, LLC, 2012; McGee, 2012; Veil, 2012) and used silica sand as a proppant (Fracline, 2011).

The resulting increase in well productivity demonstrated the significant potential that fracking might have for the oil and gas industry. The first horizontal well was successfully completed in 1948, and the first commercial “unconventional well,” a horizontal gas well in “tight” shale, was drilled in 1988. The Society of Petroleum Engineers describes unconventional resources as petroleum accumulations that are pervasive throughout a large area and are not significantly affected by pressure generated by water. The extremely small pore-size and absence of favorable permeability results in high resistance to hydrocarbon flow. Recovery of gas and oil from these units presents technological challenges. The extremely low permeability typically causes the hydrocarbons to remain in the source rock unless artificially induced fracturing is introduced and proppants are injected to maintain the fracture openings and to provide a pathway through the rock to facilitate the flow of hydrocarbons through the well (Ratner and Tiemann, 2014).

Technological advances in directional drilling and hydraulic fracturing coupled with increases in natural gas prices in the late 1990s and early 2000s spurred aggressive exploration drilling activities and eventually significant production from unconventional oil and gas reservoirs contained in several major sedimentary shale basins in the United States [U.S. Energy Information Administration (EIA), 2014]. Formations or basins, shown in Figure 2, include the Anadarko Basin in Oklahoma and Texas, the Bakken/Three Forks Basin in eastern Montana and North Dakota, the Barnett Formation in the Fort Worth Basin, the Eagle Ford and Woodbine Formations in the East Texas Basin, and the Appalachia Basin in the northeastern part of the United States. Most of the production from these formations is in the form of gas rather than oil because methane molecules and those of natural gas liquids are smaller than crude oil molecules and are therefore more responsive to fracking when moving through fine-grained sedimentary rock such as shale (Ratner and Tiemann, 2014; Tucker, 2013).

In 2003, nearly 2.2 Mt of sand was sold or used for fracking, a 45 percent increase over the previous year. The rapid growth in the demand for frac sand at this time was a direct result of the petroleum industry’s start of aggressive horizontal drilling and hydraulic fracturing programs in unconventional oil and gas targets contained in tight sedimentary formations. In 2009, the global recession and lower petroleum prices were reflected by a decrease in the number of active drilling rigs and a slowdown in the growth rate of frac sand consumption. By 2012, oil petroleum prices had recovered and the rate of growth in frac sand demand accelerated. In 2012, there was an average of approximately 1,150 horizontal rotary drilling rigs in the United States operating per week, which represented nearly 60 percent of the total number of active drilling rigs. At the same time, the number of vertical and directional (angled or deviated drilling, but not horizontal) active drilling rigs represented a 29 percent and 11 percent share, respectively (Baker Hughes Inc., 2014). The compound annual growth rate (CAGR) for frac sand sold or used for the years 2003 through 2012 was nearly 32 percent.

U.S. Production of Frac Sand

Common names of the frac sand stratigraphic units, which are mined from the Ordovician Saint Peter Sandstone, include Jordan Sand, Ottawa Sand, Northern White Sand, Saint Peter; and Sierra Gold. In addition, these sands are also used in glass making and in foundries. Nearly 70 percent of the estimated 2014 domestic frac sand, or about 38 metric tons (Mt), was mined in the Great Lakes Region owing to the premium sand deposits in the region; existing railway infrastructure, and long term presence in the industry. The states that comprise this region and their respective estimated annual production, rounded to the nearest Mt listed in descending order are Wisconsin (24 Mt), Illinois (8Mt), Minnesota (5 Mt), and Michigan (1 Mt). Iowa and Missouri produce approximately 2 million metric tons per year (Mt/yr) and 1 Mt/yr of frac sand, respectively. These sands are similar in character to the frac sands produced in the Great Lakes Region.

Nearly all of the premium sands are transported by rail to transfer points in areas where fracking is occurring and trucked to fracking sites or stockpiled at locations to await orders for frac sand. Some Great Lakes frac sand is also shipped to Canadian fracking sites since Canada produces only about 30 percent of its frac sand requirements. In 2014, Canada imported about 1.5 Mt of sand from the United States.

Most of the remaining frac sand production in the United States, approximately 13 Mt rounded to the nearest Mt, originates from outside the Great Lakes Region. In descending order of production, they are: Texas (8 Mt), Arkansas (2 Mt), Nebraska (2 Mt) and Arizona (1 Mt). A large percentage of the sand produced from the mines in these states is considered “brown sand” and sold as Brady, Brown, EF (economical frac), Hickory, and Texas Brown. These sands may contain minor amounts of impurities, have lower strength.

Frac Sand Pricing

Since the oil prices dropped in 2015, the previous high demand and tight supply of frac sand resulted in the prices dropping from a national average of about \$63 per ton in 2013 to approximately 20% less than that today. The major factors that determine the cost and application for frac sand include: (1) grain strength, which is based on its SiO₂ content and internal structure; (2) grain sphericity; (3) grain size; (4) grain size distribution; (5) and overall purity. In general, the relatively clean, coarse and high-silica high-strength “white” sands mined in Arkansas, Illinois, Minnesota, and Wisconsin bring the highest prices per ton FOB plant. The coarser-cleaner fractions bring premium prices, because of higher conductivity which is especially desirable for the recovery of oil.

In most cases, rail is the primary form of transportation to get sand from the mine to a transfer point and then, from there, trucked to the well site, and represents the highest post-mine cost. Adding to the cost burden of transportation some suppliers and consumers of frac sand are affected with logistical “bottlenecks” that result from the: lack of available hopper cars, limitations of branch lines to accommodate rail traffic, weight, and speed; complications associated with moving sand through the network of rail freight carriers that traverse the Midwest United States; shortages of truck drivers and truck availability; and constrained capacity at trans loading terminals (Gopinath and Pramanick, 2014; Minnesota Department of Transportation, 2012; Vectora Transportation, 2013).

Our Target Market

There are several factors which determine what is our target market:

1. The geographic location of the Eagle Creek mineral leases is approximately 1,500 km closer to the major Canadian and Northern United States tight oil and gas formations, that are the major consumers of frac sand (Wisconsin);
2. Canada’s train infrastructure is not geared towards frac sand. Most shipments of frac sand involve several bottlenecks in Canada where there are few rail cars dedicated to frac sand, few trans-loading facilities;
3. The consequent logistics cause delays, increased costs, and poor customer service.

We feel that being closer to the frac sand markets of B.C., Alberta, Saskatchewan, Manitoba, North Dakota, and Montana will give us a significant advantage, due to the fact that we are in the range of truck able distances. This will result in reduced transportation costs, ensured delivery schedules, and be able to meet the frac sand inventory needs of our potential customers on a just in time, cost efficient manner, resulting in increased customer service.

Eagle Creek Mineral Leases

In the Report prepared by Green Engineering Ltd (“GEL”) dated December 15, 2014, GEL reported that GEL was retained by CSI to observe sand mineral exploration excavation work completed by CSI in the winter of 2011 on a potential frac-sands industrial property, the “Eagle Creek Property” (the “target property”), on land located 30 kilometers west of Saskatoon, Saskatchewan. At the Eagle Creek Property, thirteen (13) back-hoe holes were excavated to obtain 60 lb pails of sand to send to SGS laboratories for flotation process testing, including the crush testing of flotation quartz sand concentrate and:

- Thirty-one (31) back-hoe holes were also excavated as mineral exploration holes at different locations on lease/optioned land on the target property where sand mineral could be expected to exist.
- On samples taken from the target property, GEL observed all laboratory testing at CSI’s facility in Saskatoon, Saskatchewan, including screening and crush testing and;
- GEL provided a report with the results of this field and laboratory work.

The summary report prepared by GEL stated that 24 holes were excavated, logged and sampled during mid-February 2011. These holds were drilled on a nominal 600 ft. spacing pattern in a search for more sand mineral. The samples were placed into sample containers, sealed, and retained by GEL.

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Of the samples obtained Four composite samples were mixed and one single sample retained. These were placed in sample pails weighing 60 lb. each and were sealed by D. Green, PEng of GEL and sent to SGS laboratories. D. Green, PEng observed the laboratory testing at the CSI facility.

Further sampling was done in April 2012 on the target property and 5 composite samples were placed in sample pails sealed by D. Green, PEng and sent to Met-Solve Laboratories. Met-Solve processed the sand with acid treatment and scrubbing. The following indicated the quality of the sand on tests conducted by Met-Solve:

- The CSI crush test of flotation concentrate for -40/+70 size sand tested at average of 5.5% fines (3 tests) less than the 8% suggested maximum fines (API RP-56 standard).
- SGS also crush tested the -40/+70 sample (1 test) and achieved 8% fines and;
- SGS also crush tested a flotation concentrate -70/+140 sample (1 test) and achieved 4.4% fines which is less than 5.5% suggested maximum fines (API RP-56 standard).

Tested by a hand-held magnifier, the sand mineral's quartz was in the range of 80%-95%, and; spherical/ovaloid for all sand examined, within the range that likely could be flotation concentrated for the -40/+70 and -70/+140 sieve sizes and possibly for the -20/+40 size.

Met-Solve Laboratories/Stim-Labs Testing resulted in the following results:

- For the size fraction -20/+40% fines test result: 9.8% (meets 14% for API RP-56)
- For the size fraction -30/+50% fines test result: 4.6% (meets 10% for API RP-56)
- For the size fraction -40/+70% fines test result: 7.2% (meets 8% for API RP-56)

On May 27, 2016, we received a proposal from Norwest Corporation, a Calgary based engineering company, to complete a NI 43-101 Technical Report to determine resources for the Eagle Creek Project. Under the terms of this proposal there are several Project Phases:

1. Phase One Data Review and Database Creation

The data base consists of 66 core holes and 107 backhoe trenches, along with laboratory analysis that conforms to standard API RP56 or ISO 13-502-2, which was analyzed by certified laboratories. Phase 1 tasks include:

- Compilation of all geological descriptive information;
- Compilation of all analytical sample data
- Verification of each hole's collar and backhoe trench spatial locations through review of a federal government topographic surface.
- Assessment of the frac sand resource quality following a review of the available analytical data.

2. Model Creation

- Surface delineation based on the frac sand spatial data obtained from the holes and backhoe trenches; and
- Frac sand volume estimation and resource classification.

3. Site Visit

4. NI 43-101 Report Preparation

Cost of NI 43-101 Report Preparation Project was estimated to be CAD\$50,532 (US\$37,900).

Upon completion Phase One, it was determined that additional data was required and that a field program was necessary to confirm results from the previous field program datasets with a certified laboratory and to expand on existing high potential areas. The field program is outlined as follows:

1. Pre-Field Preparation and Project Management

- Finalize sample site locations;
- Obtain subsurface site clearances
- Prepare a Health and Safety program;
- Field supplies preparation and shipment; and
- Cost tracking and logistics support.

2. Field Program

- An M10 Truck auger rig will systematically collect samples to an approximate depth of 10 meters;
- Geological descriptive strip logs will be generated for each drill hole;
- Samples from the auger flights will be collected and will not cross geological facies.
- Samples will be split for Company storage (if required for subsequent re-testing), balance sent to laboratory.

3. Post-Field Data Finalization and Database upload.

Cost of Auger Drilling Program and Testing was estimated at CAD \$58,615 (US\$44,000).

Drilling commenced in early July 2016. Reports are expected to be issued before the end of August 2016.

Item 1A. Risk Factors

Because we are a Smaller Reporting Company, we are not required to provide the information required by this item.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

Our offices, are located at Unit 1 – 550 Browning Place, North Vancouver, British Columbia, Canada V7H 3A9. We do not believe that we will need to obtain additional office space at any time in the foreseeable future, approximately 12 months.

Item 3. Legal Proceedings

We are not currently a party to any legal proceedings nor are any contemplated by us at this time. On March 30, 2017, the Company received a letter from the lawyers representing Canadian Sandtech Inc. disputing the legality of the acquisition of North America Frac Sand (CA) Ltd. from them by the Company. The Company has retained lawyers and is disputing this allegation with the full extent of the law. It is our lawyers and the Company's opinion that this letter is without merit.

Item 4. Mine safety disclosures

Not Applicable

PART II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

North America Frac Sand Inc. trades on the OTC-QB market under the trading symbol NASF. Trading for NAFS for the last two years by quarter is as follows:

Period	High	Low	Close
Q1-2015	\$ 0.02	\$ 0.02	\$ 0.02
Q2-2015	\$ 0.07	\$ 0.02	\$ 0.07
Q3-2015	\$ 0.90	\$ 0.07	\$ 0.35
Q4-2015	\$ 0.40	\$ 0.05	\$ 0.12
Q1-2016	\$ 0.18	\$ 0.05	\$ 0.05
Q2-2016	\$ 0.09	\$ 0.04	\$ 0.04
Q3-2016	\$ 0.07	\$ 0.03	\$ 0.03
Q4-2016	\$ 0.06	\$ 0.02	\$ 0.02

Holdings

As of April 5, 2017 there were 423 shareholders of record of our common stock.

Dividends

Since inception we have not paid any dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future. Although we intend to retain our earnings, if any, to finance the exploration and growth of our business, our Board of Directors will have the discretion to declare and pay dividends in the future. Payment of dividends in the future will depend upon our earnings, capital requirements, and other factors, that our Board of Directors may deem relevant.

Recent Sales of Unregistered Securities

None

Item 6. Selected Financial Data

Because we are a Smaller Reporting Company, we are not required to provide the information required by this item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this report. The management's discussion, analysis of financial condition, and results of operations should be read in conjunction with our financial statements and notes thereto contained elsewhere in this prospectus.

Our Business Overview

North America Frac Sand, Inc. is a Florida corporation (the "Company"). During the year ended December 31, 2015, the Company entered into an agreement to acquire North America Frac Sand (CA) Ltd ("NAFS-CA"), an Alberta Corporation. We completed the due diligence on February 29, 2016. We finalized the audit of NAFS-CA in August of 2016, and completed a Form 8-K on August 31, 2016. Consequently the acquisition was completed as of August 31, 2016. The mineral leases have been assigned to the Company as of July 28, 2016. This allowed the Company to complete lease payments and commence exploration activities.

The Company was providing consulting services to independent aquatic farming operators and other market participants located in the Midwest of the United States. Historically, we conducted initial marketing and sales activities to take advantage of opportunities related to time, location and quality of aquatic farming operations. We have conducted our operations primarily in Indiana.

On April 25, 2014 the Company entered into a Share Purchase Agreement to acquire the issued and outstanding shares of Innovate Building Systems, Inc., ("Innovate") a manufacturer of modular buildings located in Edmonton Alberta, Canada. In accordance with the Agreement, the Company changed its name from New Found Shrimp, Inc. to Innovate Building Systems, Inc. In the course of the due diligence, the Innovate (the Alberta Company) was unable to supply audited financial statements. For this and other reasons, the Company decided not to proceed with the acquisition. On September 9, 2014, the Company changed its name from Innovate Building Systems Inc. to Xterra Building Systems Inc.

On July 10, 2015, the Company entered into a Share Purchase Agreement to acquire the issued and outstanding shares of North America Frac Sand (CA) Ltd. ("NAFS-CA"). where the Company would issue 37,800,000 shares of common stock in the Company in exchange for the issued and outstanding shares of NAFS-CA. In accordance with the agreement, the Company changed its name from Xterra Building Systems, Inc. to North America Frac Sand, Inc. The final release of the shares held in escrow is subject to the completion the audit of NAFS-CA and the requisite filings.

Critical Accounting Policies

We prepare our financial statements in conformity with GAAP, which requires management to make certain estimates and assumptions and apply judgments. We base our estimates and judgments on historical experience, current trends and other factors that management believes to be important at the time the financial statements are prepared and actual results could differ from our estimates and such differences could be material. We have identified below the critical accounting policies which are assumptions made by management about matters that are highly uncertain and that are of critical importance in the presentation of our financial position, results of operations and cash flows. On a regular basis, we review our accounting policies and how they are applied and disclosed in our financial statements.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Results of Operations for the year ended December 31, 2016 and December 31, 2015

2016 expenses are \$239,238 higher than 2015 due to the increase of business activities.

Financial Condition

Total Assets. Total assets at December 31, 2016 and 2015 were \$Nil and \$Nil, respectively.

Total Liabilities. Total liabilities at December 31, 2016 and 2015 were \$573,931 and \$91,884, respectively.

Liquidity

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates, among other things, the realization of assets and satisfaction of liabilities in the ordinary course of business.

The Company sustained a loss for the years ended December 31, 2016 and 2015 of \$1,670,950 and \$65,416, respectively. The Company has an accumulated deficit of \$36,179,052. Because of the absence of positive cash flows from operations, the Company will require additional funding for continuing the development and marketing. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We are presently not able to meet our obligations as they come due. At December 31, 2016 we had working capital deficit of \$573,931. Our working capital deficit is due to the results of operations.

Net cash used in operating activities for the years ended December 31, 2016 and 2015 was \$1,491,294 and -\$63,992, respectively.

Net cash provided by investment activities for the years ended December 31, 2016 and 2015 was -\$1,429,178 and \$nil, respectively.

Net cash provided by financing activities for the years ended December 31, 2016 and 2015 was -\$62,116 and \$63,992, respectively.

We anticipate that our future liquidity requirements will arise from the need to fund our growth from operations, pay current obligations and future capital expenditures. The primary sources of funding for such requirements are expected to be cash generated from operations and raising additional funds from the private sources and/or debt financing. However, we can provide no assurances that we will be able to generate sufficient cash flow from operations and/or obtain additional financing on terms satisfactory to us, if at all, to remain a going concern. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis and ultimately to attain profitability. Our Plan of Operation for the next twelve months is to raise capital to continue to expand our operations. Although we are not presently engaged in any capital raising activities, we anticipate that we may engage in one or more private offering of our company's securities after the completion of this offering. We would most likely rely upon the transaction exemptions from registration provided by Regulation D, Rule 506 or conduct another private offering under Section 4(2) of the Securities Act of 1933. See "Note 2 – Going Concern" in our financial statements for additional information as to the possibility that we may not be able to continue as a "going concern."

We have no known demands or commitments and are not aware of any events or uncertainties that will result in or that are reasonably likely to materially increase or decrease our current liquidity.

We are not aware of any trends or known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in material increases or decreases in liquidity.

Capital Resources

We have no material commitments for capital expenditures as of December 31, 2016.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

Because we are a Smaller Reporting Company, we are not required to provide the information required by this item.

Item 8. Financial Statements and Supplementary Data

The report of the independent registered public accounting firm and the financial statements listed on the accompanying index at page F-1 of this report are filed as part of this report and incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

On July 3, 2015, the Company dismissed Messineo & Co. CPA's LLC. On July 6, 2015, the Company appointed BF Borgers CPA PC. There have been no Changes in or Disagreement with BF Borgers CPA PC on Accounting and Financial Disclosure.

Item 9A. Controls and Procedures

(a) Management's Annual Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with the U.S. generally accepted accounting principles.

As of December 31, 2016, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934 and based on the criteria for effective internal control described *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on this evaluation, management concluded that our financial disclosure controls and procedures were not effective so as to timely identify correct and disclose information required to be included on our Securities and Exchange Commission ("SEC") reports due to the Company's limited internal resources and lack of ability to have multiple levels of transaction review. Through the use of external consultants and the review process, management believes that the financial statements and other information presented herewith are materially correct.

The management including its Chief Executive Officer and Chief Financial Officer, our sole officer, does not expect that its disclosure controls and procedures, or its internal controls will prevent all error and all fraud. A control system no matter how well conceived and operated, can provide only reasonable not absolute assurance that the objectives of the control system are met. Further, the design of control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any within the Company have been detected.

Material weaknesses identified by management included: lack of an audit committee and audit committee financial expert; lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; inadequate segregation of duties consistent with control objectives and affecting the functions of authorization, recordkeeping, custody of assets, and reconciliation; and, management dominated by a single individual without adequate compensating controls.

Management believes that the material weaknesses set forth above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will create a position to segregate duties consistent with control objectives and will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. And, we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management when funds are available to us.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We will work as quickly as possible to implement these initiatives; however, the lack of adequate working capital and positive cash flow from operations will likely slow this implementation.

This Annual Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to the temporary rules of the SEC that permit the Company to provide only management's report in this Annual Report.

This report shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of this section, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Change in internal controls

We have not made any significant changes to our internal controls subsequent to the Evaluation Date. We have not identified any significant deficiencies or material weaknesses or other factors other than those specified above that could significantly affect these controls, and therefore, no corrective action was taken.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

The names and ages of our directors and executive officers are set forth below. Our By Laws provide for not less than one and not more than fifteen directors. All directors are elected annually by the stockholders to serve until the next annual meeting of the stockholders and until their successors are duly elected and qualified.

Name	Age	Position
David R. Cupp	38	Director, resigned as President, Secretary and Chairman of the Board of Directors on February 7, 2015(1), resigned as director March 15, 2016.
David M. Alexander	66	Director, President, Secretary and Chairman of the Board of Directors since February 7, 2015(1)
Edwin G Morrow	71	Director since

(1) Mr. Alexander and Mr. Morrow will serve as directors until the next annual shareholder meeting.

Background of Executive Officers and Directors

Mr. David Alexander is a Chartered Accountant with over 25 years' experience in providing audit, accounting, and consulting services to both private and public companies. In the last five years Mr. Alexander has served as a director of Shalex Energy Corporation (oil and gas) from May 2012 - September 2013, WasteFixx Systems Inc. (water and soil clean up) from May 2013 - September 2013, and has since January 2016 served as the Chief Financial Officer of Veritas Pharma Inc. (pharmaceuticals) and since July 2016 as Chief Financial Officer of Southern Lithium Corp. (lithium exploration). Mr. Alexander additionally provides business consulting services to several clients through his consulting practice. Based upon the aforementioned background and experience, Company principals believe that Mr. Alexander is eminently qualified to discharge the duties required for the directorship of the Company. On February 9, 2015, Mr. David Alexander assumed the role of Chief Executive Officer.

Mr. Ed Morrow is a Professional Geologist with

Mr. Cupp is a 2001 graduate of Ball State University with a Bachelor's Degree in Secondary Education. He continued his education at Olivet Nazarene University and holds a Master's Degree in Education. Mr. Cupp has over 11 years of teaching and coaching experience and is currently the girls head basketball coach Avon High School, Indianapolis, Indiana. Mr. Cupp has shown the ability to create a winning team in each of his coaching assignments. Mr. Cupp has participated in many leadership and counseling camps during his tenure as teacher and coach at such prestigious institutions as Duke, Marquette, Ball State, and the University of Illinois. During the past five years Mr. Cupp has been primarily focused on his full time employment as a High School teacher and Girls Basketball coach in Indianapolis, Indiana. Other than the company Mr. Cupp does not have any other business experience. Mr. Cupp resigned as an officer of the Company on February 9, 2015, and as a director of the Company on March 15, 2016.

Legal Proceedings

To the best of our knowledge, except as set forth herein, none of the directors or director designees to our knowledge has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, or has been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement.

Meetings and Committees of the Board of Directors

We do not have a nominating committee of the Board of Directors, or any committee performing similar functions. Nominees for election as a director are selected by the Board of Directors.

We do not yet have an audit committee or an audit committee financial expert. We expect to form such a committee composed of our non-employee directors. We may in the future attempt to add a qualified board member to serve as an audit committee financial expert in the future, subject to our ability to locate and compensate such a person. Despite the lack of an audit committee, those members of the board of directors that would otherwise be on our audit committee will continue to analyze and investigate our actual and potential businesses prospects as members of our board of directors. Furthermore, our entire board of directors is aware of the importance of the financial and accounting due diligence that must be undertaken in furtherance of our business and they intend to conduct a comprehensive accounting financial analysis of the Company's business.

Item 11. Executive Compensation

The following table sets forth information concerning the annual and long term compensation of our Chief Executive Officer, and the executive officers who served at the end of the fiscal year December 31, 2016, for services rendered in all capacities to us. The listed individuals shall hereinafter be referred to as the "Named Executive Officers." Currently, we have no employment agreements with any of our Directors or Officers. All of our directors are unpaid. Compensation for the future will be determined when and if additional funding is obtained.

SUMMARY COMPENSATION TABLE

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock Awards	Option Awards	Non-equity incentive plan compensation	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total
David R. Cupp (1), President	2014	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
David R. Cupp (1), President	2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
David M Alexander President	2014	\$ 9,000	-0-	-0-	-0-	-0-	-0-	-0-	\$ 9,000
David M Alexander President	2015	\$ 14,000	-0-	-0-	-0-	-0-	-0-	-0-	\$ 14,000
David M Alexander President	2016	\$ 120,000	-0-	-0-	-0-	-0-	-0-	-0-	\$ 120,000

(1) There is no employment contract with Mr. Cupp at this time. Nor are there any agreements for compensation in the future. A salary and stock option and/or warrants program may be developed in the future

(2) The restricted stock was valued at the last trade price on the day of issuance in accordance with ASC 718.

(3) There is no employment contract with Mr. Alexander at this time. Nor are there any agreements for compensation in the future. A salary and stock option and/or warrants program may be developed in the future

Compensation Committee Interlocks and Insider Participation

Our current Board of Directors consist of David M. Alexander and Mr. Edwin G. Morrow (Mr. David R. Cupp resigned March 15, 2016).

Director Compensation

There are currently no compensation arrangements in place for members of the board of directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information concerning the beneficial ownership of shares of our common stock with respect to stockholders who were known by us to be beneficial owners of more than 5% of our common stock as of December 31, 2016, and our officers and directors, individually and as a group. Unless otherwise indicated, the beneficial owner has sole voting and investment power with respect to such shares of common stock.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (“SEC”) and generally includes voting or investment power with respect to securities. In accordance with the SEC rules, shares of our common stock which may be acquired upon exercise of stock options or warrants which are currently exercisable or which become exercisable within 60 days of the date of the table are deemed beneficially owned by the optionees, if applicable. Subject to community property laws, where applicable, the persons or entities named below have sole voting and investment power with respect to all shares of our common stock indicated as beneficially owned by them.

<u>Title of Class</u>	<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Owner (1)</u>	<u>Percent of Class (2)</u>
Common Stock	Canadian Sandtech Inc. Ray Newton and Dwight Newton Bay 9B, 318 – 105 Street East Saskatoon, SK S7N 1Z3	37,800,000(3)	82.8%
Common Stock	David R. Cupp 7830 Inishmore Dr. Indianapolis, IN 46241	400	0.000%
Series A Preferred Stock	David R. Cupp 7830 Inishmore Dr. Indianapolis, IN 46241	1(4)	100.000%
Common Stock	All Executive Officers and Directors as a Group (1)	400	0.000%

(1) The percentages are based on of xx shares of common stock issued and outstanding as of the date of this report

(2) A total of xx shares of our common stock are considered to be outstanding pursuant to SEC Rule 13d-3(d) (1).

(3) These shares are being held in escrow by the Company’s attorneys.

(4) David R. Cupp one share of our Class A Convertible Preferred Stock (the “Preferred A Stock”) The certificate of designations for the Preferred A Stock provides that as a class it possesses a number of votes equal to seventy-five percent (75%) of all votes of capital stock of the Company that could be asserted in any matter put to a vote of the shareholders of the Company.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Transactions with Related Persons, Promoters and Certain Control Persons

Mr. Alexander has charged management fees of \$120,000 in 2016 and \$14,000 in 2015.

Our offices are currently located Unit 1 – 550 Browning Place, North Vancouver, British Columbia, Canada, V7H 3A9. During the year the Company paid Mr. Alexander \$10,500 for rent.

Future Transactions

Future transactions with our officers, directors or greater than five percent stockholders will be on terms no less favorable to us than could be obtained from independent third parties, and all such transactions will be reviewed and subject to approval by our board of directors.

Director Independence

Mr. Morrow is an independent director. We consider independent directors to be individuals who are not employed by the Company in any capacity and who do not have any equity ownership interest in the Company. Our Board of Directors is comprised of our President, David Alexander and Mr. Ed Morrow. Until March 21, 2016, Mr. Cupp also served on the Board of Directors. Mr. Cupp is currently majority shareholder of the company's common equity. We intend to seek additional independent directors for our board of directors when the market conditions improve and we are able to provide compensation for our board of director members.

Item 14. Principal Accounting Fees and Services

	<u>2016</u>	<u>2015</u>
Audit fees	50,280	10,700
Audit related fees	---	---
Tax fees	---	---
All other fees	---	---

The Company does not currently have an audit committee. The normal functions of the audit committee are handled by the board of directors, which consists of our sole director only.

PART IV

Item 15. Exhibits, Financial Statement Schedule

Exhibit Number and Description	Location Reference
(a) Financial Statements	Filed herewith
(b) Exhibits required by Item 601, Regulation S-K;	
(3.0) Articles of Incorporation	
(3.1) Amended Articles of Incorporation filed with Form 10-Q on July 31, 2012.	See Exhibit Key
(3.2) Bylaws filed with S-1 Registration Statement on July 21, 2011.	See Exhibit Key
(3.3) Amended Articles of Incorporation	See Exhibit Key
(10.0) Material Contracts	
(10.1) Consulting Agreement dated May 24, 2011 Filed with S-1 Registration Statement on July 21, 2011.	See Exhibit Key
(10.2) Consulting Agreement dated May 8, 2012	See Exhibit Key
(10.3) Consulting Agreement dated May 8, 2012	See Exhibit Key
(10.4) Share Purchase Agreement dated April 25, 2014	See Exhibit Key
(10.5) Amendment to Share Purchase Agreement dated June 11, 2014	See Exhibit Key
(10.6) Termination of Share Purchase Agreement dated August 27, 2014	See Exhibit Key
(10.7) Share Purchase Agreement dated July 10, 2015	See Exhibit Key
(10.8) Amendment to Share Purchase Agreement dated October 5, 2015	See Exhibit Key
(10.9) Amendment to Share Purchase Agreement dated November 25, 2015	See Exhibit Key
(10.10)Close on Share Purchase Agreement dated July 27 2016.,	See Exhibit Key
(11.0) Statement re: computation of per share Earnings	Note 2 to Financial Stmts.
(14.0) Code of Ethics	See Exhibit Key
(31.1) Certificate of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
(31.2) Certificate of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
(32.1) Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
(32.2) Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
(101.INS) XBRL Instance Document	Filed herewith
(101.SCH) XBRL Taxonomy Ext. Schema Document	Filed herewith
(101.CAL) XBRL Taxonomy Ext. Calculation Linkbase Document	Filed herewith
(101.DEF) XBRL Taxonomy Ext. Definition Linkbase Document	Filed herewith
(101.LAB) XBRL Taxonomy Ext. Label Linkbase Document	Filed herewith
(101.PRE) XBRL Taxonomy Ext. Presentation Linkbase Document	Filed herewith

Exhibit Key

3.1	Incorporated by reference herein to the Company's Form 10-Q filed with the Securities and Exchange Commission on July 31, 2012.
3.2	Incorporated by reference herein to the Company's Form S-1 Registration Statement filed with the Securities and Exchange Commission on July 21, 2011.
3.3	Incorporated by reference herein to Company's Form 8-K filed with the Securities and Exchange Commission on August 1, 2016
10.1	Incorporated by reference herein to the Company's Form S-1 Registration Statement filed with the Securities and Exchange Commission on July 21, 2011.
10.2	Incorporated by reference herein to the Company's Form 10-Q filed with the Securities and Exchange Commission on May 14, 2012
10.3	Incorporated by reference herein to the Company's Form 10-Q filed with the Securities and Exchange Commission on May 14, 2012
10.4	Incorporated by reference herein to the Company's Form 8K filed with the Securities and Exchange Commission on April 24, 2014
10.5	Incorporated by reference herein to the Company's Form 8K filed with the Securities and Exchange Commission on June 11, 2014
10.6	Incorporated by reference herein to the Company's Form 8K filed with the Securities and Exchange Commission on August 27, 2014
10.7	Incorporated by reference herein to the Company's Form 8K filed with the Securities and Exchange Commission on July 17, 2015
10.8	Incorporated by reference herein to the Company's Form 8K filed with the Securities and Exchange Commission on October 5, 2015
10.9	Incorporated by reference herein to the Company's Form 10-Q filed with the Securities and Exchange Commission on November 27, 2015
10.10	Incorporated by reference herein to the Company's Form 8-Q filed with the Securities and Exchange Commission on August 29, 2016
14.0	Incorporated by reference herein to the Company's Form S-1 Registration Statement filed with the Securities and Exchange Commission on July 21, 2011.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NORTH AMERICA FRAC SAND, INC.

<u>NAME</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ David Alexander</u> David Alexander	Principal Executive Officer, Principal Accounting Officer, Chief Financial Officer, Secretary and Chairman of the Board of Directors	April 26, 2017

**Supplemental Information to be furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants
Which Have Not Registered Securities Pursuant to Section 12 of the Act**

None

NORTH AMERICA FRAC SAND, INC.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of North America Frac Sand, Inc.:

We have audited the accompanying consolidated balance sheets of North America Frac Sand, Inc. ("the Company") as of December 31, 2016 and 2015 and the related statement of operations, stockholders' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of North America Frac Sand, Inc., as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ BF Borgers CPA PC

BF Borgers CPA PC
Lakewood, CO
April 26, 2017

North America Frac Sand, Inc.
Consolidated Balance Sheets

	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ -	\$ -
Total Current Assets	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	\$ 303,853	\$ 1,302
Accounts payable, related party	1,227	23,000
Note payable, related party	-	67,582
Note payable	268,851	-
Total Current Liabilities	<u>573,931</u>	<u>91,884</u>
TOTAL LIABILITIES	<u>573,931</u>	<u>91,884</u>
COMMITMENTS AND CONTINGENCIES		
Preferred stock, Series A: 10 authorized; \$0.00001 par value		
1 and 1 shares issued and outstanding on December 31, 2016 and December 31, 2015, respective	13,741,679	13,741,679
Preferred stock, Series B: 99,999,999 authorized; \$0.00001 par value		
116 and 76,105 shares issued and outstanding on December 31, 2016 and 2015, respectively	519	1
Common stock: 10,000,000,000 authorized; \$0.00001 par value		
55,915,448 and 45,665,448 shares issued and outstanding on December 31, 2016 and December 31, 2015, respectively	559	457
Additional paid in capital	21,862,364	20,674,081
Accumulated deficit	<u>(36,179,052)</u>	<u>(34,508,102)</u>
Total stockholders' deficit	<u>(573,931)</u>	<u>(91,884)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ -</u>	<u>\$ -</u>

See notes to audited consolidated financial statements

North America Frac Sand, Inc.
Consolidated Statements of Operations

	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
Cost and expenses:		
Professional fees	\$ 225,929	\$ 61,277
Mineral exploration expense	57,159	-
General and administrative expenses	14,013	4,140
Communication costs	19,309	-
Total operating expenses	<u>316,410</u>	<u>65,417</u>
Other (income) expense		
Interest expense	12,660	-
Exchange loss (gain)	(11,756)	-
Impairment (income) loss	1,544,306	-
Gain on extinguishment of Series B Preferred Shares	(190,670)	-
Total other expenses	<u>1,354,540</u>	<u>-</u>
Net comprehensive (loss)	<u>\$ (1,670,950)</u>	<u>\$ (65,417)</u>
Loss per common shares	\$ (0.05)	\$ -
Basic weighted average number of Common shares outstanding	50,247,640	2,990,790

See notes to audited consolidated financial statements

North America Frac Sand, Inc.
Statements of Changes in Shareholders' Deficit

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional paid-in Capital	Deficit	Total
	Shares	Par Value	Shares	Par Value	Shares	Par Value			
Balance at December 31, 2014	1	\$ 13,741,679	76,133	\$ 1	865,450	\$ 9	\$ 20,674,528	\$ (34,442,685)	\$ (26,468)
The Company facilitated 1 to 100 reverse stock split declared effective on May 20, 2015 by FINRA, adjustment for fractional shares	-	-	-	-	(2)	-	-	-	-
Issuance of 37,800,000 restricted shares of common stock at par \$0.00001 into escrow to facilitate the North America Frac Sand (CA) Ltd. on July 10, 2015	-	-	-	-	37,800,000	378	(378)	-	-
Non-related parties converted 15 shares of Series B Preferred stock into 3,750,000 shares of unrestricted common stock at par, \$0.00001 on July 17, 2015	-	-	(15)	-	3,750,000	38	(38)	-	-
Non-related parties converted 2 shares of Series B Preferred stock into 500,000 shares of unrestricted common stock at par, \$0.00001 on August 25, 2015	-	-	(2)	-	500,000	5	(5)	-	-
Non-related parties converted 3 shares of Series B Preferred stock into 750,000 shares of unrestricted common stock at par, \$0.00001 on September 8, 2015	-	-	(3)	-	750,000	7	(7)	-	-
Non-related parties converted 8 shares of Series B Preferred stock into 2,000,000 shares of unrestricted common stock at par, \$0.00001 on October 23 2015	-	-	(8)	-	2,000,000	20	(20)	-	-
Net loss	-	-	-	-	-	-	-	\$ (65,417)	\$ (65,417)
Balance at December 31, 2015	1	\$ 13,741,679	76,105	\$ 1	45,665,448	\$ 457	\$ 20,674,081	\$ (34,508,102)	\$ (91,884)

See notes to audited consolidated financial statements

North America Frac Sand, Inc.
Statements of Changes in Shareholders' Deficit

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional paid-in Capital	Deficit	Total
	Shares	Par Value	Shares	Par Value	Shares	Par Value			
Balance at December 31, 2015	1	\$ 13,741,679	76,105	\$ 1	45,665,448	\$ 457	\$ 20,674,081	\$(34,508,102)	\$ (91,885)
Non-related parties converted 2 shares of Series B Preferred stock into 500,000 shares of unrestricted common stock at par, \$0.00001 on March 28, 2016	-	-	(2)	-	500,000	5	(5)	-	-
Non-related parties converted 5 shares of Series B Preferred stock into 1,250,000 shares of unrestricted common stock at par, \$0.00001 on April 1 2016	-	-	(5)	-	1,250,000	13	(13)	-	-
Non-related parties converted 10 shares of Series B Preferred stock into 2,500,000 shares of unrestricted common stock at par, \$0.00001 on June 20, 2016	-	-	(10)	-	2,500,000	25	(25)	-	-
Effect of return of 75,948 shares of Series B Preferred stock to treasury for cancellation	-	-	(75,948)	518	-	-	(191,188)	-	(190,670)
Non-related parties converted 14 shares of Series B Preferred stock into 3,500,000 shares of unrestricted common stock at par, \$0.00001 on July 28, 2016	-	-	(14)	-	3,500,000	35	(37)	-	(2)
Release from escrow of the 37,800,000 shares of common stock issued in exchange for the issued and outstanding shares of North America Frac Sand (CA) Ltd. on August 29, 2016	-	-	-	-	-	-	1,379,576	-	1,379,576
Non-related parties converted 10 shares of Series B Preferred stock into 2,500,000 shares of unrestricted common stock at par, \$0.00001 on October 28, 2016	-	-	(10)	-	2,500,000	25	(25)	-	-
Net loss	-	-	-	-	-	-	-	\$ (1,670,950)	\$ (1,670,950)
Balance at December 31, 2016	1	\$ 13,741,679	116	\$ 519	55,915,448	\$ 559	\$ 21,862,364	\$(36,179,052)	\$ (573,931)

See notes to audited consolidated financial statements

North America Frac Sand, Inc.
Consolidated Statements of Cash Flow

	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
Cash flows from operating activities:		
Net loss	\$ (1,670,950)	\$ (65,417)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Impairment loss on mineral property	1,544,306	-
Shares issued for mineral property	1,360,800	-
Changes in operating assets and liabilities		
Accounts payable	257,138	1,425
Net cash (used in) provided by operating activities	<u>1,491,294</u>	<u>(63,992)</u>
Cash flows from investment activities		
Acquisition of mineral properties	(1,360,800)	-
Advances to mineral property	(68,378)	-
Net Cash (used in) investing activities	<u>(1,429,178)</u>	<u>-</u>
Cash flows from financing activities:		
Notes payable assumed in mineral property acquisition	(91,488)	-
Change in prefer shares	(171,897)	-
Proceeds from notes payable	201,269	-
Advances under related party note payable	-	63,992
Net cash provided by financing activities	<u>(62,116)</u>	<u>63,992</u>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents		
Beginning of year	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>
Supplemental cash flow information and non cash financing activities:		
Income taxes	\$ -	\$ -
Interest	\$ 12,660	\$ -

See notes to audited consolidated financial statements

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS

ORGANIZATION

The Company is Florida Corporation which was incorporated on April 26, 2007. The Company was formed as New Found Shrimp, Inc. to provide consultation to the aquatic farming industry. It was the Company's plan to provide consolidation opportunities for on-going and start up aquatic farming operations. The Company's approach was to be to assist aquatic farming operations with the organizational structure, customer service and marketing aspects of their business, allowing our customers to focus on the business aspects of operating the farms. On April 25, 2014, the Company changed its name to Xterra Building Systems, Inc. On July 10, 2015, the Company entered into a Share Purchase Agreement with Canadian Sandtech Inc. to acquire its wholly owned subsidiary, North America Frac Sand (CA) Ltd. ("NAFS-CA"). In accordance with this Share Purchase Agreement, the Company issued 37,800,000 shares of common stock and placed these shares in escrow. On September 17, 2015, the Company changed its name to North America Frac Sand, Inc. On August 29, 2016, all subjects were removed by the Company to close on the acquisition of NAFS-CA. NAFS-CA has approximately 30,000 acres of mineral leases located approximately 30 kilometers east of Saskatoon Saskatchewan.

The Company is now headquartered in North Vancouver, British Columbia.

NOTE 2. GOING CONCERN

The Company has a history of losses, including \$1,690,950 and \$65,417 the years ending December 31, 2016 and 2015, respectively. Losses result in an accumulated deficit of \$36,179,052. The Company has negative working capital of \$573,931 and \$91,844 as at December 31, 2016 and 2015 respectively. The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating cost and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plan to obtain such resources for the Company include, obtaining capital from management and significant stockholders sufficient to meet its minimal operating expenses. However, management cannot provide any assurance that the Company will be successful in accomplishing any of its plans.

There is no assurance that the Company will be able to obtain sufficient additional funds when needed or that such funds, if available, will be obtainable on terms satisfactory to the Company. In addition, profitability will ultimately depend upon the level of revenues received from business operations. However, there is no assurance that the Company will attain profitability. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The Company prepares its financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require 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 those estimates.

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents totaled \$Nil at December 31, 2016 and 2015, respectively.

CASH FLOWS REPORTING

The Company follows ASC 230, Statement of Cash Flows, for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by ASC 230, Statement of Cash Flows, to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period.

INTANGIBLE ASSETS

The Company has applied the provisions of ASC topic 350 – Intangible – goodwill and other, in accounting for its intangible assets. Intangible assets are being amortized by straight-line method on the basis of a useful life of 3 years, to begin upon the operational commencement. Intangible assets consist of website development cost. The balance at December 31, 2016 and 2015 was \$-0- and \$-0-, respectively.

IMPAIRMENT OF LONG- LIVED ASSETS

The Company reviews and evaluates long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The assets are subject to impairment consideration under FASB ASC 360-10-35-17 if events or circumstances indicate that their carrying amount might not be recoverable. When the Company determines that an impairment analysis should be done, the analysis will be performed using the rules of FASB ASC 930-360-35, Asset Impairment, and 360-0 through 15-5, Impairment or Disposal of Long- Lived Assets.

FINANCIAL INSTRUMENTS

The Company's balance sheet includes financial instruments, specifically accounts payable, accrued expenses, and payables to related parties. The carrying amounts of current assets and current liabilities approximate their fair value because of the relatively short period of time between the origination of these instruments and their expected realization.

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2016. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments.

REVENUE RECOGNITION

The Company follows ASC 605, Revenue Recognition -The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. The Company has not generated any revenues for the periods presented.

RESEARCH AND DEVELOPMENT

The Company expenses research and development costs when incurred. Research and development costs include engineering and testing of product and outputs. Indirect costs related to research and developments are allocated based on percentage usage to the research and development. We spent \$-0- in research and development costs for the years December 31, 2016 and 2015.

DEFERRED INCOME TAXES AND VALUATION ALLOWANCE

The Company accounts for income taxes under ASC 740 *Income Taxes*. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. No deferred tax assets or liabilities were recognized as of December 31, 2016, or December 31, 2015.

NET INCOME (LOSS) PER COMMON SHARE

Net income (loss) per share is calculated in accordance with ASC 260, "Earnings Per Share." The weighted-average number of common shares outstanding during each period is used to compute basic earning or loss per share. Diluted earnings or loss per share is computed using the weighted average number of shares and diluted potential common shares outstanding. Dilutive potential common shares are additional common shares assumed to be exercised.

Basic net income (loss) per common share is based on the weighted average number of shares of common stock outstanding at December 31, 2016 and at December 31, 2015. The Series B Preferred stock can be converted to common shares at a rate determined by the Board of Directors.

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

SHARE-BASED EXPENSE

ASC 718, *Compensation – Stock Compensation*, prescribes accounting and reporting standards for all share-based payment transactions in which employee services are acquired. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50, *Equity – Based Payments to Non-Employees*. Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (a) the goods or services received; or (b) the equity instruments issued.

Share-based expense for the years ended December 31, 2016 and 2015 totaled \$-0- and \$-0-, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2014, FASB issued Accounting Standards Update (ASU) No. 2014-12 *Compensation — Stock Compensation (Topic 718), Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*. A performance target in a share-based payment that affects vesting and that could be achieved after the requisite service period should be accounted for as a performance condition under Accounting Standards Codification (ASC) 718, *Compensation — Stock Compensation*. As a result, the target is not reflected in the estimation of the award's grant date fair value. Compensation cost would be recognized over the required service period, if it is probable that the performance condition will be achieved. The guidance is effective for annual periods beginning after 15 December 2015 and interim periods within those annual periods. Early adoption is permitted. Management has reviewed the ASU and believes that they currently account for these awards in a manner consistent with the new guidance, therefore there is no anticipation of any effect to the consolidated financial statements.

In August 2014, FASB issued Accounting Standards Update (ASU) No. 2014-15 *Preparation of Financial Statements – Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. Under generally accepted accounting principles (GAAP), continuation of a reporting entity as a going concern is presumed as the basis for preparing financial statements unless and until the entity's liquidation becomes imminent. Preparation of financial statements under this presumption is commonly referred to as the going concern basis of accounting. If and when an entity's liquidation becomes imminent, financial statements should be prepared under the liquidation basis of accounting in accordance with Subtopic 205-30, *Presentation of Financial Statements—Liquidation Basis of Accounting*. Even when an entity's liquidation is not imminent, there may be conditions or events that raise substantial doubt about the entity's ability to continue as a going concern. In those situations, financial statements should continue to be prepared under the going concern basis of accounting, but the amendments in this Update should be followed to determine whether to disclose information about the relevant conditions and events. The amendments in this Update are effective for the year ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company will evaluate the going concern considerations in this ASU, however, at the current period, management does not believe that it has met conditions which would subject these financial statements for additional disclosure.

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

We have reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

NOTE 4. INVESTMENT IN EAGLE CREEK PROPERTY

On August 29, 2016, the Company acquired through NAFS-CA acquired the Eagle Creek Properties. A description of the mineral leases are as follow:

A description of the Company’s mineral leases is as follows:

<i>Lease</i>	<i>Description of Lease</i>	<i>Lease Rate</i>
# 1	Section 11, NE ¼ of Section 2, N (½) of Section 3, in Township 38, Range 10, West of the 3 rd Meridian, as to the surface rights referenced in the Certificate of Title.	Up-front payment of \$3,000. Ten-year lease dated July 17, 2015, automatically extended for second 10 years if royalties are being paid. Lease rate is \$1 per acre per year. Royalty rate is \$5.00 per ton of processed ore sold at \$80 per metric ton or less, and \$5.00 plus the 10% of the difference between sales price greater than \$80 and \$80 per metric ton.
# 2	West ½ of Section 2, Township 38, Range 10, West of the 3 rd Meridian, portion of NW (¼) of Section 35 on Township 37, Range 10, West of the 3 rd Meridian, as to the surface rights referenced in the Certificate of Title.	Ten-year lease dated June 21, 2008, automatically extended for second 10 years if royalties are being paid. Lease rate is \$1 per acre per year. Royalty rate is \$3.00 per ton if 25% waste, \$4.00 per ton if 20% waste, and \$5.00 per ton if 15% or less waste.

Prior to acquisition, the leases have been explored through extensive drilling operations. As there has not been an economic evaluation of the mineral leases, the investment in the mineral leases have been expensed as Impairment of mineral leases of \$1,539,430. On May 27, 2016, the Company entered into an agreement with Northwest Corporation to undertake exploration activities and to prepare an economic evaluation through the preparation NI43-101 report on the mineral leases. As of December 31, 2016, the Company had expended approximately \$69,485. As these expenditures were undertaken prior to the effective date of the transaction, they have not been incorporated into the consolidated financial statements.

NOTE 5. INCOME TAXES

At December 31, 2016, the Company had a net operating loss carry-forward for Federal income tax purposes of \$711,454 that may be offset against future taxable income through 2032. No tax benefit has been reported with respect to these net operating loss carry-forwards in the accompanying financial statements because the Company believes that the realization of the Company’s net deferred tax assets of \$213,035, calculated at an effective tax rate of 34%, was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are fully offset by a valuation allowance of \$213,035.

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Year Ended	Net Loss	Permanent Differences	Taxable Loss
December 31, 2011	\$ 7,789	\$ -	\$ 7,789
December 31, 2012	20,533,321	20,450,000	83,321
December 31, 2013	122,089	-	122,089
December 31, 2014	13,780,487	13,741,679	38,808
December 31, 2015	64,416	-	64,416
December 31, 2016	1,670,950	1,360,800	310,150
Estimated Loss carried forward	<u>\$ 36,179,052</u>	<u>\$ 35,552,479</u>	<u>\$ 626,573</u>
Tax rate			34%
Potential Tax Benefit Carried Forward			<u>\$ 213,035</u>

Deferred tax assets consist primarily of the tax effect of NOL carry-forwards. The Company has provided a full valuation allowance on the deferred tax assets because of the uncertainty regarding its realizability.

The Company has open tax periods, subject to IRS audit for the years 2013 through 2016.

NOTE 6. SHAREHOLDERS' EQUITY

COMMON STOCK

On September 17, 2014, the Company amended its Articles of Incorporation. The Company has been authorized to issue 10,000,000,000 shares of common stock, \$0.00001 par value. Each share of issued and outstanding common stock shall entitle the holder thereof to fully participate in all shareholder meetings, to cast one vote on each matter with respect to which shareholders have the right to vote, and to share ratably in all dividends and other distributions declared and paid with respect to common stock, as well as in the net assets of the corporation upon liquidation or dissolution. On July 27, 2016, the Company amended its Articles of Incorporation reducing the authorized capital from 10,000,000,000 to 500,000,000 shares of common stock, \$0.00001 par value

On July 10, 2015, the Company issued 37,800,000 shares of the Company pursuant to a Share Purchase Agreement. The 37,800,000 shares were placed into escrow pending the Closing of the acquisition of NAFS-CA.

On July 17, 2015, the Company allowed several non-related parties to convert a total of 15 shares of Series B Preferred stock into 3,750,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

On August 25, 2015, the Company allowed several non-related parties to convert a total of 2 shares of Series B Preferred stock into 500,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

On September 18, 2015, the Company allowed several non-related parties to convert a total of 3 shares of Series B Preferred stock into 750,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

On October 13, 2015, the Company allowed several non-related parties to convert a total of 8 shares of Series B Preferred stock into 2,000,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

On March 28, 2016, the Company allowed a non-related party to convert a total of 2 shares of Series B Preferred stock into 500,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

On April 1, 2015, the Company allowed several non-related parties to convert a total of 5 shares of Series B Preferred stock into 1,250,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

On June 20, 2016, the Company allowed a non-related party to convert a total of 10 shares of Series B Preferred stock into 2,500,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

On July 28, 2016, the Company allowed a non-related party to convert a total of 14 shares of Series B Preferred stock into 3,500,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

On October 28, 2016, the Company allowed a non-related party to convert a total of 10 shares of Series B Preferred stock into 2,500,000 unrestricted shares of common stock. The conversion rate was done at par, \$0.00001 according to the stated articles of designation.

At December 31, 2016 and December 31, 2015 there were 55,915,448 and 45,665,448 shares of common stock issued and outstanding, respectively.

PREFERRED STOCK

On September 17, 2014, the Company amended its Articles of Incorporation. The Company has been authorized to issue 1,000,000,000 shares of \$0.00001 par value Preferred Stock. The Board of Directors is expressly vested with the authority to divide any or all of the Preferred Stock into series and to fix and determine the relative rights and preferences of the shares of each series so established, within certain guidelines established in the Articles of Incorporation. On July 28, 2016, the Company amended its Articles of Incorporation reducing the authorization to issue 1,000,000,000 to 100,000,000 shares of \$0.00001 par value Preferred Stock.

Series A: 10 shares of preferred stock has been designated as Series A. The certificate of designations for the Preferred A Stock provides that it may only be issued in exchange for the partial or full retirement of debt held by management, employees or consultants, or as directed by a majority vote of the Board of Directors. Whereas the September 17, 2014 amendment enabled the Series A may be convertible into the number of shares of common stock which equals four times the sum of (i) the total number of shares of common stock which are issued and outstanding at the time of conversion, plus (ii) the total number of shares of Series B and Series C preferred stocks which are issued and outstanding at the time of conversion; the July 28, 2016 amendment eliminated all conversion rights associated with this class of stock. The Series A class possesses a number of votes equal to the number of common stock equivalents, if converted.

NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Series B: 99,999,990 shares of preferred stock have been designated as Series B. This is a reduction from the 999,999,990 shares of preferred stock previously designated as Series B. The certificate of designation for the Preferred B Stock provides that as a class shall be entitled to receive dividends when, as and if declared by the Board of Directors, in its sole discretion. Preferred Series B will have liquidation rites, an amount equal to \$1.00 per share, plus any declared but unpaid dividends for each share held. Each share will have 10 votes. Each share of Series B Preferred Stock shall be convertible into common shares, at any time, and/or from time to time, into the number of shares of the Corporation's Common Stock, par value \$0.00001 per share, equal to the price of the Series B Preferred Stock, divided by the par value of the Common Stock, subject to adjustment as may be determined by the Board of Directors from time to time (the "Conversion Rate").

The September 17, 2014 amended to the Company's Articles of Incorporation modified the terms of the Preferred Series A conversion exchange to common stock. Because of this modification, the Company did not have sufficient common shares to settle both the Preferred Series A and Preferred Series B share conversions. Consequently, the requirement for extinguishment accounting was triggered. Under the terms of extinguishment accounting, the Company is required to determine a fair value the Preferred Series A. SEC guidelines request that the Company use fair value as determined by an arm's length transaction with an unrelated third party and that there are no unstated rights or privileges. The Preferred Series A was deemed to have a fair value of \$13,741,679 based upon the converted valuation approach as the primary driver of value in the instrument, its common stock equivalency. The Preferred Series A were to be classified as mezzanine equity. On July 28, 2016, the Company eliminated the rights of the Preferred Series A to convert into common stock. Consequently, the requirement for extinguishment accounting has been removed.

As a result of the July 28, 2016 amendment, the Company now has sufficient shares to settle Preferred Series A and Preferred Series B and accordingly has reclassified the share to permanent equity from mezzanine equity.

At December 31, 2016 and December 31, 2015 there was 1 share of Series A Convertible Preferred Stock issued and outstanding.

At December 31, 2016 and December 31, 2015 there were 116 and 76,105 shares of Series B Convertible Preferred Stock issued and outstanding, respectively.

OPTIONS AND WARRANTS

There are no warrants or options outstanding to acquire any additional shares of common stock of the Company.

NOTE 7. RELATED PARTY TRANSACTIONS

NOTES PAYABLE

In support of the Company's efforts and cash requirements, it has relied on advances from related parties until such time that the Company can support its operations or attains adequate financing through sales of its equity or traditional debt financing. There is no formal written commitment for continued support by these related parties. Amounts represent advances or amounts paid in satisfaction of liabilities of the Company. The advances are considered temporary in nature and have not been formalized by a promissory note.

**NORTH AMERICA FRAC SAND, INC.
NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

As of December 31, 2016, David Alexander had advanced to the Company \$nil (\$67,582 -2015) with no stated interest rate, payment terms and is due on demand.

On May 18, 2011 David Cupp loaned the Company \$100 with no stated interest rate, payment terms and is due on demand. Additionally, payments were made on behalf of the Company in satisfaction of liabilities, totaling \$27,541. The total amount due to Mr. Cupp, \$27,641, was forgiven in 2015 and recognized as a contribution to capital. No amount was due to Mr. Cupp as of December 31, 2016 or 2015.

As of the year ending December 31, 2016, Mr. David Alexander accrued and unpaid consulting fees of \$14,000 (\$9,000 – 2015).

Amounts due to related parties at December 31, 2016 and December 31, 2015 totaled \$90,582 and \$12,590, respectively.

OTHER

The officers and directors of the Company are involved in other business activities and may, in the future, become involved in other business opportunities that become available. They may face a conflict in selecting between the Company and other business interests. The Company has not formulated a policy for the resolution of such conflicts.

The Company does not own or lease property or lease office space. The Company has been provided office space by a member of the Board of Directors at no cost.

The above amounts are not necessarily indicative of the amounts that would have been incurred had comparable transactions been entered into with independent parties.

NOTE 8. COMMITMENTS AND CONTINGENCIES

From time to time the Company may be a party to litigation matters involving claims against the Company. Management believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.

NOTE 9. SUBSEQUENT EVENTS

On March 30, 2017, the Company received a letter from the lawyers representing Canadian Sandtech Inc. disputing the legality of the acquisition of North America Frac Sand (CA) Ltd. from them by the Company. The Company has retained lawyers and is disputing this allegation with the full extent of the law. It is our lawyers and the Company's opinion that this letter is without merit.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, David Alexander, certify that:

1. I have reviewed this annual report on Form 10-K of North America Frac Sand, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. 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 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 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 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 control over financial reporting; and
5. 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 the 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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

North America Frac Sand, Inc.

Date: April 26, 2017

By: /s/ David Alexander

David Alexander
Principal Executive Officer
Principal Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
AND PRINCIPAL FINANCIAL OFFICER
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 Annual Report of North America Frac Sand, Inc. (the "Company") on Form 10-K for the year ended December 31, 2016, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, David Alexander, Principal Executive Officer and Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Annual Report on Form 10-K for the year ended December 31, 2016, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in such Annual Report on Form 10-K for the period ended December 31, 2016 fairly presents, in all material respects, the financial condition and results of operations of the Company.

North America Frac Sand, Inc.

Date: April 26, 2017

By /s/ David Alexander

David Alexander
Principal Executive Officer
Principal Financial Officer

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IT IS NOT A PART OF EDGAR SUBMISSION