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# U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-Q

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

For the quarterly period ended **September 30, 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 **000-53136**

### **Oro East Mining, Inc.**

**Delaware**

(State or other jurisdiction of incorporation or organization)

**26-2012582**

(I.R.S. Employer Identification Number)

**7817 Oakport Street, Suite 205, Oakland, CA 94621**

(Address of Principal Offices)

**(510) 638-5000**

(Issuer's Telephone Number)

\_\_\_\_\_  
(Former name, former address and former fiscal year, if changed since last report)

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

Yes  No

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer   
(Do not check if a smaller reporting company)

Smaller 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

#### APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 604,703,800 shares of common stock, par value \$.0001 per share, outstanding as of November 10, 2016.

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ORO EAST MINING, INC.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of Oro East Mining, Inc., a Delaware corporation (the “Company”), contains “forward-looking statements,” as defined in the United States Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “could”, “expects”, “plans”, “intends”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of such terms and other comparable terminology. These forward-looking statements include, without limitation, statements about our market opportunity, our strategies, competition, expected activities and expenditures as we pursue our business plan, and the adequacy of our available cash resources. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Actual results may differ materially from the predictions discussed in these forward-looking statements. The economic environment within which we operate could materially affect our actual results. Additional factors that could materially affect these forward-looking statements and/or predictions include, among other things: the volatility of minerals prices, the possibility that exploration efforts will not yield economically recoverable quantities of minerals, accidents and other risks associated with mineral exploration and development operations, the risk that the Company will encounter unanticipated geological factors, the Company’s need for and ability to obtain additional financing, the possibility that the Company may not be able to secure permitting and other governmental clearances necessary to carry out the Company’s exploration and development plans, the exercise of the approximately 78% control the Company’s voting securities the Company’s Chief Executive Officer, Tian Qing Chen, holds, other factors over which we have little or no control; and other factors discussed in the Company’s filings with the Securities and Exchange Commission (“SEC”).

Our management has included projections and estimates in this Form 10-Q, which are based primarily on management’s experience in the industry, assessments of our results of operations, discussions and negotiations with third parties and a review of information filed by our competitors with the SEC or otherwise publicly available. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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**PART I — FINANCIAL INFORMATION**

**Item 1. FINANCIAL STATEMENTS**

**ORO EAST MINING, INC.  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)**

|   | <u>September 30,<br/>2016</u> | <u>December 31,<br/>2015</u> |
|---|-------------------------------|------------------------------|
| <b>ASSETS</b>   |                               |                              |
| Current assets:   |                               |                              |
| Cash  | \$ 24,915                     | \$ 7,149                     |
| Inventories   | 18,734                        | 18,734                       |
| Prepaid expenses  | 9,443                         | 43,693                       |
| Other current assets  | 127,421                       | 127,421                      |
| <b>Total current assets</b>   | <b>180,513</b>                | <b>196,997</b>               |
| Equity method investments   | 406,307                       | -                            |
| Property and equipment, net of accumulated depreciation of \$339,550 and \$239,758, respectively  | 425,829                       | 525,621                      |
| <b>TOTAL ASSETS</b>   | <b>\$ 1,012,649</b>           | <b>\$ 722,618</b>            |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  |                               |                              |
| Current liabilities:  |                               |                              |
| Current portion of long-term debt   | \$ 1,852                      | \$ 16,838                    |
| Current portion of capital lease obligation   | -                             | 3,171                        |
| Accounts payable  | 19,193                        | 87,018                       |
| Short-term notes payable  | 1,120,000                     | 1,100,000                    |
| Convertible note payable, net of unamortized discount of \$0 and \$1,250, respectively  | 1,790,000                     | 1,595,750                    |
| Other accrued liabilities   | 935,464                       | 537,859                      |
| Advances-related party  | 218,802                       | 217,851                      |
| <b>Total current liabilities</b>  | <b>4,085,311</b>              | <b>3,558,487</b>             |
| <b>TOTAL LIABILITIES</b>  | <b>4,085,311</b>              | <b>3,558,487</b>             |
| <b>COMMITMENTS AND CONTINGENCIES</b>  |                               |                              |
|   | -                             | -                            |
| <b>STOCKHOLDERS' DEFICIT</b>  |                               |                              |
| Preferred stock, \$.0001 par value per share, 10,000,000 shares authorized; no shares issued and outstanding  | -                             | -                            |
| Common stock, \$.0001 par value per share, 2,000,000,000 shares authorized; 604,703,800 and 581,873,800 shares issued and outstanding, respectively | 60,470                        | 58,187                       |
| Additional paid-in capital  | 7,439,023                     | 6,768,264                    |
| Accumulated deficit   | (10,456,933)                  | (9,556,698)                  |
| Accumulated other comprehensive loss  | (24,135)                      | (24,135)                     |
| <b>Total Oro East Mining Inc. stockholders' deficit</b>   | <b>(2,981,575)</b>            | <b>(2,754,382)</b>           |
| Noncontrolling interest   | (91,087)                      | (81,487)                     |
| <b>TOTAL STOCKHOLDERS' DEFICIT</b>  | <b>(3,072,662)</b>            | <b>(2,835,869)</b>           |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  | <b>\$ 1,012,649</b>           | <b>\$ 722,618</b>            |

See accompanying notes to unaudited consolidated financial statements.

**ORO EAST MINING, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(Unaudited)

|   | <u>Three Months ended September 30,</u> |                     | <u>Nine Months ended September 30,</u> |                       |
|---|---|---------------------|--|-----------------------|
|   | <u>2016</u>                             | <u>2015</u>         | <u>2016</u>                            | <u>2015</u>           |
| <b>Operating expenses:</b>  |   |                     |  |                       |
| General and administrative  | \$ 139,134                              | \$ 313,355          | \$ 625,886                             | \$ 924,187            |
| Total operating expenses  | <u>139,134</u>                          | <u>313,355</u>      | <u>625,886</u>                         | <u>924,187</u>        |
| <b>Other income (expense):</b>  |   |                     |  |                       |
| Other income  | -                                       | -                   | -                                      | 627                   |
| Loss from equity method investments   | (36,219)                                | -                   | (43,693)                               | -                     |
| Interest expense  | (81,159)                                | (75,186)            | (242,007)                              | (305,533)             |
| Total other expense   | <u>(117,378)</u>                        | <u>(75,186)</u>     | <u>(285,700)</u>                       | <u>(304,906)</u>      |
| <b>Net loss</b>   | (256,512)                               | (388,541)           | (911,586)                              | (1,229,093)           |
| Net loss attributable to noncontrolling interest  | (3,212)                                 | (4,849)             | (11,351)                               | (15,471)              |
| <b>Net loss attributable to Oro East Mining Inc.</b>  | (253,300)                               | (383,692)           | (900,235)                              | (1,213,622)           |
| <b>Other comprehensive income (loss)</b>  |   |                     |  |                       |
| Foreign currency translation adjustment   | -                                       | (45)                | -                                      | (54)                  |
| <b>Comprehensive loss</b>   | <u>\$ (253,300)</u>                     | <u>\$ (383,737)</u> | <u>\$ (900,235)</u>                    | <u>\$ (1,213,676)</u> |
| <b>Net loss attributable to Oro East Mining Inc. common stockholder per share - Basic and diluted</b> | <u>\$ (0.00)</u>                        | <u>\$ (0.00)</u>    | <u>\$ (0.00)</u>                       | <u>\$ (0.00)</u>      |
| <b>Weighted average number of common shares outstanding</b>   | <u>604,703,800</u>                      | <u>581,717,546</u>  | <u>592,032,085</u>                     | <u>581,445,257</u>    |

See accompanying notes to unaudited consolidated financial statements.

**ORO EAST MINING, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|   | <b>Nine Months ended September 30,</b> |                  |
|---|--|------------------|
|   | <b>2016</b>                            | <b>2015</b>      |
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                                 |  |                  |
| Net loss  | \$ (911,586)                           | \$ (1,229,093)   |
| Adjustments to reconcile net loss to net cash used in operating activities: |  |                  |
| Depreciation  | 99,792                                 | 99,792           |
| Share-based compensation  | 166,042                                | 291,680          |
| Salary contributed to capital   | 58,750                                 | -                |
| Amortization of debt discount   | 1,250                                  | 81,222           |
| Loss from equity method investments   | 43,693                                 | -                |
| Changes in operating assets and liabilities:                                |  |                  |
| Prepaid expenses and other current assets                                   | -                                      | 19,421           |
| Accounts payable  | (33,575)                               | (68,604)         |
| Accrued liabilities   | 397,605                                | 207,276          |
| <b>Net cash used in operating activities</b>                                | <b>(178,029)</b>                       | <b>(598,306)</b> |
| <b>CASH FLOW USED IN INVESTING ACTIVITIES:</b>                              |  |                  |
| Purchases of property and equipment   | -                                      | (665)            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES:</b>                                 |  |                  |
| Proceeds from convertible notes   | 193,000                                | 850,000          |
| Proceeds from short-term notes  | 20,000                                 | -                |
| Principal payments under capital lease obligation                           | (3,171)                                | (3,073)          |
| Repayment of convertible notes  | -                                      | (75,000)         |
| Repayment of long-term debt   | (14,985)                               | (11,236)         |
| Repayment of short-term notes   | -                                      | (50,000)         |
| Proceeds from shareholder advances  | 951                                    | 7,133            |
| Repayment of shareholder advances   | -                                      | (174,243)        |
| <b>Net cash provided by financing activities</b>                            | <b>195,795</b>                         | <b>543,581</b>   |
| <b>Effect of exchange rate on cash</b>                                      | <b>-</b>                               | <b>(54)</b>      |
| <b>NET INCREASE (DECREASE) IN CASH</b>                                      | <b>17,766</b>                          | <b>(55,444)</b>  |
| <b>CASH AT BEGINNING OF PERIOD</b>  | <b>7,149</b>                           | <b>64,832</b>    |
| <b>CASH AT END OF PERIOD</b>  | <b>\$ 24,915</b>                       | <b>\$ 9,388</b>  |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>                    |  |                  |
| Interest paid   | \$ 2,473                               | \$ 15,303        |
| <b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>                         |  |                  |
| Share issuance for purchase of equity method investments                    | \$ 450,000                             | \$ -             |

See accompanying notes to unaudited consolidated financial statements.

**ORO EAST MINING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**NOTE 1 ORGANIZATION, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(a) Basis of Presentation*

The accompanying interim consolidated financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission. In the opinion of management, all adjustments for a fair statement of the results and operations and financial position for the interim periods presented have been included. All such adjustments are of a normal recurring nature. The September 30, 2016 interim consolidated financial statements presented herein may not be indicative of the results of the Company for the year ending December 31, 2016. These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the SEC on March 30, 2016.

*(b) Equity Method Investments*

The Company accounts for its 30% owned corporate joint venture using the equity method of accounting. The Company records its share of the earnings (loss) in the consolidated statements of operations, and the carrying value of the joint venture is recorded in the consolidated balance sheets. Dividends received from the joint venture are recorded as dividends income, and the carrying value of the joint venture is reduced by the amount of the dividends received.

*(c) Reclassification*

Certain prior period amounts have been reclassified to conform with current period presentation.

**NOTE 2 GOING CONCERN**

The accompanying interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As reflected in the accompanying interim consolidated financial statements, the Company has an accumulated deficit of \$10,456,933 and a negative working capital of \$3,904,798 at September 30, 2016. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management's plan includes obtaining additional funds by equity and debt financing and/or related party advances, but there is no assurance of additional funding being available. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying interim consolidated financial statements do not include any adjustments that might arise as a result of this uncertainty.

**NOTE 3 EQUITY METHOD INVESTMENTS**

The Company has an interest in Magnique, Inc., a California corporate joint venture with a foreign company that is primary involved in the manufacturing and sale of mineral-infused holistic wellness products. The investment is accounted for using the equity method and represents a 30% ownership in the joint venture (see Note 7). Condensed and unaudited financial information for the joint venture is as follow:

**Summary of Statements of Operations**

|                                   | <u>Three months ended September 30,</u> |             | <u>Nine months ended September 30,</u> |             |
|-----------------------------------|---|-------------|--|-------------|
|                                   | <u>2016</u>                             | <u>2015</u> | <u>2016</u>                            | <u>2015</u> |
| Revenues                          | \$ 229,704                              | \$ -        | \$ 362,658                             | \$ -        |
| Gross profit                      | \$ 186,019                              | \$ -        | \$ 303,004                             | \$ -        |
| Net loss                          | \$ (120,730)                            | \$ -        | \$ (145,644)                           | \$ -        |
| Net loss attributable to investee | \$ (36,219)                             | \$ -        | \$ (43,693)                            | \$ -        |

**NOTE 4 SHORT-TERM NOTES PAYABLE**

A summary of the short-term notes payable is as follows:

|  | As of<br>September 30,<br>2016 | As of<br>December 31,<br>2015 |
|--|--------------------------------|-------------------------------|
| Fixed-rate 12% note, due April 30, 2017 (2)    | \$ 100,000                     | \$ 100,000                    |
| Fixed-rate 12% note, due April 30, 2017 (2)    | 100,000                        | 100,000                       |
| Fixed-rate 15% note, due April 30, 2017 (2)    | 800,000                        | 800,000                       |
| Fixed-rate 12% note, due December 21, 2016 (1) | 100,000                        | 100,000                       |
| Fixed-rate 10% note, due May 4, 2017 (3)       | 20,000                         | -                             |
|  | <u>\$ 1,120,000</u>            | <u>\$ 1,100,000</u>           |

- (1) The note was extended in June, 2016 from its previous maturity date  
(2) The notes were extended in October 2016 from their previous maturity date (see Note 8)  
(3) The note was extended in November 2016 from their previous maturity date (see Note 8)

All notes are unsecured, and the Company has accrued interest of \$339,602 as of September 30, 2016.

**NOTE 5 CONVERTIBLE NOTES PAYABLE**

A summary of the convertible notes payable, which are all held by an unrelated party, is as below:

|  | As of<br>September 30,<br>2016 | As of<br>December 31,<br>2015 |
|--|--------------------------------|-------------------------------|
| Fixed-rate 12% convertible note, conversion price @\$0.02/share, due April 14, 2017 (1)    | \$ 500,000                     | \$ 500,000                    |
| Fixed-rate 12% convertible note, conversion price @\$0.02/share, due April 14, 2017 (1)    | 20,000                         | 20,000                        |
| Fixed-rate 12% convertible note, conversion price @\$0.01/share, due April 23, 2017 (1)    | 40,000                         | 40,000                        |
| Fixed-rate 12% convertible note, conversion price @\$0.02/share, due November 17, 2016 (1) | 30,000                         | 30,000                        |
| Fixed-rate 12% convertible note, conversion price @\$0.02/share, due December 1, 2016 (1)  | 17,000                         | 17,000                        |
| Fixed-rate 12% convertible note, conversion price @\$0.02/share, due December 10, 2016 (1) | 10,000                         | 10,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.02/share, due January 21, 2017 (1)   | 720,000                        | 720,000                       |
| Fixed-rate 8% convertible note, conversion price @\$0.02/share, due December 30, 2016 (1)  | 30,000                         | 30,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.02/share, due January 30, 2017 (1)   | 30,000                         | 30,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.02/share, due February 26, 2017 (1)  | 40,000                         | 40,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.01/share, due March 25, 2017 (1)     | 30,000                         | 30,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.01/share, due April 26, 2017 (1)     | 60,000                         | 60,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.01/share, due May 3, 2017 (1)        | 30,000                         | 30,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.01/share, due May 7, 2017 (1)        | 40,000                         | 40,000                        |
| Fixed-rate 8% convertible note, conversion price @\$0.02/share, due January 13, 2017 (1)   | 20,000                         | -                             |
| Fixed-rate 8% convertible note, conversion price @\$0.02/share, due February 15, 2017 (1)  | 20,000                         | -                             |
| Fixed-rate 8% convertible note, conversion price @\$0.01/share, due March 4, 2017 (1)      | 50,000                         | -                             |
| Fixed-rate 8% convertible note, conversion price @\$0.01/share, due April 12, 2017 (2)     | 15,000                         | -                             |
| Fixed-rate 8% convertible note, conversion price @\$0.03/share, due November 30, 2016 (2)  | 20,000                         | -                             |
| Fixed-rate 8% convertible note, conversion price @\$0.01/share, due January 12, 2017 (2)   | 18,000                         | -                             |
| Fixed-rate 8% convertible note, conversion price @\$0.02/share, due March 6, 2017 (2)      | 50,000                         | -                             |
| Total  | <u>1,790,000</u>               | <u>1,597,000</u>              |
| Less: unamortized discount   | -                              | (1,250)                       |
|  | <u>\$ 1,790,000</u>            | <u>\$ 1,595,750</u>           |

- (1) The notes were extended from their previous maturity dates with the conversion price changed to the market price on the dates they were extended. All notes with maturities on or before December 31, 2016 were extended during the quarter ended June 30, 2016. All notes with maturities on or after January 1, 2017 but before April 1, 2017 were extended during the quarter ended September 30, 2016. All notes with maturities on or after April 1, 2017 were extended subsequent to September 30, 2016 (see Note 8). The Company analyzed the terms modification of the convertible notes under ASC 470-60, *Troubled Debt Restructurings*, and ASC 470-50, *Extinguishment of Debt*, and determined that the creditors had not granted a concession and the modifications were substantial, which qualified for Extinguishment accounting. The Company amortized the remaining discount on the convertible notes to interest expense on the dates of the conversion. There were no direct costs or fees associated with the terms modification of the convertible notes. The Company also analyzed the modified conversion option under ASC 815, *Derivatives and Hedging*, and determined that the instrument does not qualify for derivative accounting and that the instrument does not have a beneficial conversion feature and there were no losses on the debt extinguishments recorded.
- (2) The Company analyzed the notes under ASC 815, *Derivatives and Hedging*, and determined that the instrument does not qualify for derivative accounting and that the instrument does not have a beneficial conversion feature.



**NOTE 6 RELATED PARTY TRANSACTIONS**

The shareholder and officer of the Company paid expenses on behalf of the Company during the nine months ended September 30, 2016. As of September 30, 2016, the Company still owed the shareholder and officer the amount of \$218,802. During nine months ended September 30, 2016, the Company repaid \$0 for the amount owed. The balances are unsecured, non-interest bearing and due on demand.

A shareholder and former CFO of the Company provided services to the Company for no compensation during the nine months ended September 30, 2016.

**NOTE 7 EQUITY**

The Company issued a total of 330,000 common shares for services received from employees and non-employees and recognized a total of \$166,042 in share-based compensation during the nine months ended September 30, 2016.

In June 2016, the Company issued 22,500,000 common shares at \$0.02/share totaling \$450,000 for a 30% ownership of a California corporate joint venture (see Note 3).

**NOTE 8 SUBSEQUENT EVENTS**

In October and November 2016, the \$15,000, \$20,000, \$500,000, \$40,000, \$60,000, \$30,000 and \$40,000 convertible notes were extended to April 12, 14, 14, 23 and 26, May 3 and 7, 2017, respectively, with the conversion price all changed to the market prices on the dates they were extended (see Note 5).

Also in October and November 2016, the \$100,000, \$100,000, \$800,000 and \$20,000 short-term notes payable were extended to April 30, 30 and 30, and May 4, 2017, respectively (see Note 4).

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion provides information that the Company's management believes is relevant to an assessment and understanding of our results of operations and financial condition. The discussion should be read along with the Company's consolidated financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q. This section includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. Undue certainty should not be placed on these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our predictions.

***Business Overview***

Magnique, Inc., the Company's joint venture with HangZhou Ci Xiao Tang Technology Co. Ltd., has continued to remain the main focus this past quarter, given the vigor of business and demand of the mineral-infused holistic wellness home care products. Magnique, Inc. has set up a showroom and gallery in Burlingame, California and a warehouse in Hayward, California. Magnique sells personal and home care products that are infused with magnets and magnetized minerals, pursuant to a traditional Chinese philosophy of wellness that uses magnetism as a form of wellness practice and holistic personal care.

Negotiations are in the works to resume gold ore production and ongoing exploration and mine development at both Carson Hill and Red Bank, currently the Company's two main mineral projects. When the mining operation is resuscitated, the Route 49 tourist attraction venture with Shenzhen Citic International Travel Co. Ltd. will also be set to resume. With its educational focus, the venture attracts students on organized school field trips. The venture was slow over the summer months but is expected to pick up in the autumn and spring seasons, correspondent with academic years when schools are in session.

***Results of Operations***

The following is a summary of the Company's operation results for the three and nine months ended September 30, 2016 and 2015:

|                          | <b>Three Months ended September 30,</b> |                     | <b>Nine Months ended September 30,</b> |                       |
|--------------------------|---|---------------------|--|-----------------------|
|                          | <b>2016</b>                             | <b>2015</b>         | <b>2016</b>                            | <b>2015</b>           |
|                          | (Unaudited)                             |                     | (Unaudited)                            |                       |
| Total operating expenses | \$ (139,134)                            | \$ (313,355)        | \$ (625,886)                           | \$ (924,187)          |
| Total other expense      | (117,378)                               | (75,186)            | (285,700)                              | (304,906)             |
| Net loss                 | <u>\$ (256,512)</u>                     | <u>\$ (388,541)</u> | <u>\$ (911,586)</u>                    | <u>\$ (1,229,093)</u> |

Operating expenses decreased by about \$174,000 and \$298,000 for the three and nine months ended September 30, 2016 and 2015, respectively, and was due to a decrease of \$174,000 and \$298,000 in general and administrative expenses, respectively. During the three and nine months ended September 30, 2016 and 2015, general and administrative expenses decreased due to the decrease of about \$43,000 and \$80,000 in payroll expense, \$104,000 and \$127,000 in share-based compensation, \$6,000 and \$26,000 in professional fees, and \$21,000 and \$65,000 in other operating expenses, respectively.

Other expenses decreased by about \$19,000 during the nine months ended September 30, 2016 and 2015 due to about \$63,000 decrease in interest expenses offset by about \$44,000 increase in allocated loss from the equity method investments. During the three months ended September 30, 2016 and 2015, other expenses increased by about \$42,000 due to about \$36,000 and \$6,000 increase in allocated loss from the equity method investments and interest expenses, respectively.

***Liquidity and Capital Resources******Going Concern***

The accompanying interim consolidated financial statements have been prepared on a going concern basis, which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As reflected in the accompanying interim consolidated financial statements, the Company has an accumulated deficit of \$10,456,933 and a negative working capital of \$3,904,798 at September 30, 2016. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management's plan includes obtaining additional funds by equity and debt financing and/or related party advances, but there is no assurance of additional funding being available. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying interim consolidated financial statements do not include any adjustments that might arise as a result of this uncertainty.

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As of September 30, 2016 and December 31, 2015, the Company had a total of \$180,513 and \$196,998 in current assets including \$24,915 and \$7,149 of cash, respectively. Decrease of about \$16,000 in total current assets was due to about \$18,000 increase in cash, which is offset by \$34,000 decrease in prepaid expense for the first nine months of 2016. The Company also had \$4,085,311 and \$3,558,487 current liabilities as of September 30, 2016 and December 31, 2015, respectively. Increase of about \$527,000 in total current liabilities was mainly due to the increase of about \$194,000, \$20,000, \$398,000 and \$1,000 in convertible notes, short-term notes, accrued liabilities and related party advance, and the decrease of \$15,000, \$3,000, and \$68,000 in note payable, capital lease obligation and accounts payable, respectively.

The following is a summary of the Company's cash flows provided by (used in) operating and financing activities for the nine months ended September 30, 2016 and 2015:

|   | <u>2016</u>        | <u>2015</u>        |
|---|--------------------|--------------------|
|   | <u>(Unaudited)</u> |                    |
| Net Cash Used In Operating Activities     | \$ (178,029)       | \$ (598,306)       |
| Net Cash Used In Investing Activities     | -                  | (665)              |
| Net Cash Provided By Financing Activities | 195,795            | 543,581            |
| Effect Of Exchange Rate On Cash           | -                  | (54)               |
| Net Increase (Decrease) In Cash           | <u>\$ 17,766</u>   | <u>\$ (55,444)</u> |

Our principal sources of liquidity are our cash and the cash flow provided by the shareholder advances and debt and equity financing. We believe that further debt and equity financing is needed to satisfy our anticipated cash requirements through the next 12 months.

Total cash increased by about \$18,000 before the effect of exchange rate was mainly due to about \$213,000 and \$1,000 of cash provided by convertible note and short-term note issuance and related party advance, and \$178,000 and \$18,000 of cash used for funding the operations and repayment of debts, respectively, during the nine months ended September 30, 2016.

#### ***Critical Accounting Policies***

Except for the implementation of the equity method for the 30% owned corporate joint venture during the quarter ended June 30, 2016, there have been no material changes in the critical accounting policies since December 31, 2015.

#### ***Off-Balance Sheet Arrangements***

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

#### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item.

#### **Item 4. CONTROLS AND PROCEDURES**

##### **Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of September 30, 2016. Disclosure controls and procedures means that the material information required to be included in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our company, including any consolidating subsidiaries, and was made known to us by others within those entities, particularly during the period when this report was being prepared. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are ineffective as of September 30, 2016.

##### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal controls over financial reporting that occurred during the quarter ended September 30, 2016, that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II — OTHER INFORMATION**

**Item 1. LEGAL PROCEEDINGS**

None.

**Item 1A. RISK FACTORS**

As a “smaller reporting company” (as defined in Rule 12b-2 of the Exchange Act), the Company is not required to provide information required by this Item 1A.

**Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**Item 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**Item 4. MINE SAFETY DISCLOSURES**

None.

**Item 5. OTHER INFORMATION**

None.

**Item 6. EXHIBITS**

(a) Exhibits required by Item 601 of Regulation SK.

| <b>Exhibit</b> | <b>Description</b>  |
|----------------|---|
| 3.1.1          | Certificate of Incorporation (1)  |
| 3.1.2          | Certificate of Amendment to Certificate of Incorporation (2)  |
| 3.2            | Bylaws (1)  |
| 31.1           | <a href="#">Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a> * |
| 31.2           | <a href="#">Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a> * |
| 32.1           | <a href="#">Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a> * |
| 101.INS        | XBRL Instance Document *  |
| 101.SCH        | XBRL Taxonomy Extension Schema Document. *  |
| 101.CAL        | XBRL Taxonomy Extension Calculation Linkbase Document *   |
| 101.DEF        | XBRL Taxonomy Extension Definition Linkbase Document *  |
| 101.LAB        | XBRL Taxonomy Extension Labels Linkbase Document *  |
| 101.PRE        | XBRL Taxonomy Extension Presentation Linkbase Document *  |

(1) Filed and incorporated by reference to the Company’s Registration Statement on Form 10-SB (File No. 000-53136), as filed with the Securities and Exchange Commission on March 19, 2008.

(2) Filed and incorporated by reference to the Company’s Form 8-K (File No. 000-53136), as filed with the Securities and Exchange Commission on June 17, 2014.

\* Filed herewith

**SIGNATURES**

Pursuant to the requirements 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.

Dated: November 14, 2016

**ORO EAST MINING, INC.**  
(Registrant)

By: /s/ Tian Q. Chen  
Name: Tian Q. Chen  
Title: Chief Executive Officer  
(Principal Executive Officer and Principal  
Accounting and Financial Officer)

**EXHIBIT INDEX**

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\* Filed herewith

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

I, Tian Q. Chen, certify that:

1. I have reviewed this Form 10-Q for the period ended September 30, 2016 of Oro East Mining, 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. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 my most recent evaluation of internal control over financial reporting, to the registrant's auditors and 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 involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2016

/s/ Tian Q. Chen

Tian Q. Chen  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

I, Tian Q. Chen, certify that:

1. I have reviewed this Form 10-Q for the period ended September 30, 2016 of Oro East Mining, 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. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 my most recent evaluation of internal control over financial reporting, to the registrant's auditors and 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 involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2016

/s/ Tian Q. Chen

Tian Q. Chen  
Chief Executive Officer  
(Principal Financial Officer)



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

The undersigned, Tian Q. Chen, Chairman of the Board of Directors and Chief Executive Officer, of ORO EAST MINING, INC. (the "Company"), HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2016 (the "Report"), fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, each of the undersigned has executed this statement this November 14, 2016.

*/s/ Tian Q. Chen*

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Tian Q. Chen  
Chief Executive Officer  
(Principal Executive Officer and  
Principal Financial Officer)