

BOOK 377 PAGE 203 NO. 207  
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*Richard Harris*  
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APR 2, 2004

1 CASE NO. CV 03-12-036  
2 DEPT. 2

EUREKA COUNTY, NEVADA  
M.N. REBALEATH, RECORDER  
FILE NO. FEES \$18.00  
Eureka County Clerk  
BY *WJC* Deputy

186217

6 IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF  
7 NEVADA IN AND FOR THE COUNTY OF EUREKA

9 QUITO GOLD CORPORATION, a Nev-  
10 ada corporation,

11 Plaintiff,

12 vs.

FINDINGS OF FACT, CONCLUSIONS  
OF LAW, AND JUDGMENT QUIET-  
ING TITLE TO PATENTED MINING  
CLAIMS

13 ATLAS PRECIOUS METALS INC., a  
14 Nevada corporation, successor by merger  
15 to the assets of ATLAS GOLD MINING  
16 INC., a Nevada corporation; ABC  
17 CORPORATIONS 1 through 10,  
18 inclusive; DOES 1 through 10, inclusive;  
19 also any other persons unknown claiming  
20 any right, title, estate, lien or interest in  
21 the real property described in this Com-  
22 plaint adverse to Plaintiff's ownership or  
23 asserting any cloud upon Plaintiff's title  
24 thereto.

22 Defendants.

24 CASE PROCEEDINGS

25 1. This quiet title action was filed by Quito Gold Corporation, a Nevada corpora-  
26 tion (hereinafter referred to as "Quito"), on December 29, 2003 in the Seventh Judicial

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EUREKA COUNTY CLERK

1 District Court, Eureka County, Nevada. The action seeks to quiet title to ten (10) patented  
2 lode mining claims (the "Patented Claims") situated in Eureka County, which are more  
3 particularly described on Exhibit A attached hereto.

4 2. A Notice of Pending Litigation was recorded in Eureka County on January  
5 6, 2004 in Book 373, Pages 179-181 (Document No. 184795) and filed with the Court on  
6 January 6, 2004.

7 3. An Affidavit for Publication of Summons was filed with the Court on January  
8 6, 2004. The Order for Publication of Summons was issued by the Court on January 8,  
9 2004. The Summons by Publication was published during the period January 29 through  
10 February 19, 2004 in the Eureka Sentinel, a weekly newspaper published in Eureka  
11 County, Nevada. An Affidavit of Publication was filed with the Court on March 1, 2004.

12 4. On February 14, 2004 a Summons for Posting was posted on the contiguous  
13 group of Patented Claims. An Affidavit of Posting Summons on Property was filed with  
14 the Court on February 23, 2004.

15 5. Atlas Precious Metals Inc., a Nevada corporation, successor by merger to the  
16 assets of Atlas Gold Mining Inc., a Nevada corporation ("Atlas") executed an Appearance  
17 and Waiver in this matter on January 29, 2004, stating that:

18 The undersigned consents specifically to an Order of the Court extinguishing  
19 all of Atlas' right, title, and interest, if any, in and to the "WI" group of  
20 patented lode mining claims situated in Eureka County, Nevada, which are  
21 more specifically described on Exhibit A attached hereto.

22 The Appearance and Waiver was filed with the Court on February 9, 2004.

23 6. Defendants ABC Corporations 1-10, DOES 1-10, and "any other persons  
24 unknown claiming any right, title, estate, lien or interest in the real property described in  
25 [the] Complaint adverse to Plaintiff's ownership or asserting any cloud upon Plaintiff's title  
26 thereto" failed to respond to the Summons by Publication within twenty days of the final

1 date of publication. On March 16, 2004 the Court Clerk entered a Default against Atlas  
2 and the non-answering Defendants.

3 7. The mineral patents from the United States to Atlas Gold Mining Inc. were  
4 not recorded in Eureka County until November 6, 2003 (Book 369, Page 5), and there have  
5 been no property taxes paid to the County with respect to the Patented Claims. The Eureka  
6 County Assessor has enrolled Plaintiff as the owner of record, and the first tax statements  
7 will be sent to Plaintiff for the 2004-2005 tax year.

8 8. Plaintiff acquired color of title to the Patented Claims by means of a "Dis-  
9 claimer of Interest" executed by Atlas Precious Metals Inc. on August 11, 2003 and re-  
10 corded in Eureka County on August 21, 2003 in Book 364, Pages 290-292 (Document No.  
11 182349). However, Plaintiff had earlier asserted its dominion over the Patented Claims by  
12 way of geologic mapping, geochemical sampling, and other exploration activities commenc-  
13 ing in September 2001. The extent of Plaintiff's activities is more particularly described  
14 in the Affidavit of Robert G. Cuffney, which was filed with the Court on March 16, 2004.

15 Based upon the pleadings and evidence described above, the Court makes the fol-  
16 lowing Findings of Fact and Conclusions of Law and enters the following Judgment.

17 FINDINGS OF FACT

18 1. The subject matter of this action consists of ten (10) patented lode mining  
19 claims situated in Eureka County, Nevada and more particularly described on Exhibit A  
20 attached hereto

21 2. Plaintiff has openly and notoriously asserted dominion over the Patented  
22 Claims for a period of two (2) years or more prior to initiation of this action.

23 3. Plaintiff has complied with all actions required by Nevada law with respect  
24 to initiating and prosecuting an action to quiet title based on adverse possession for two  
25 years or more with respect to the Patented Claims (NRS 11.060).  
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DATED this 2nd day of April, 2004

*Jan L. Lopez*  
DISTRICT COURT JUDGE

quito gold/7170/litigation quiet title  
findings of fact, conclusions of law

COPIES

SEVENTH JUDICIAL DISTRICT COURT  
IN AND FOR COUNTY OF EUREKA } SS  
STATE OF NEVADA  
I, the Undersigned COUNTY CLERK and Ex-Officio  
CLERK of the SEVENTH JUDICIAL DISTRICT COURT do hereby CERTIFY  
that the foregoing is a full, true and correct copy of the original on file in  
my office and that I have carefully compared the same with the  
original.  
WITNESS My Hand and Seal of said  
DISTRICT COURT, this 2nd day of April 2004  
*Frances Hale*  
County Clerk and Ex-Officio Court Clerk  
*Debra J. ...* Deputy Clerk

186217