

REPRESENTATION AND INDEMNITY

JOHN SANTIAGO hereby:

1. Represents to DALLAS MINES NEVADA, INC. that, except as next specified, he is informed and believes that he (i) was the holder of 50% of the issued and outstanding common shares of GOLD STAR INVESTMENTS, INC., a Nevada corporation (the "Corporation") when its charter was revoked on or about September 1, 1982, (ii) did not prior thereto sell, transfer or alienate beneficial ownership of his stock in the Corporation prior to that time, and (iii) owned a 50% beneficial interest in those tailings commonly known as the North Pond Tailings of the Caselton Mill in Lincoln County, Nevada either directly or indirectly through the Corporation as of September 1, 1982.

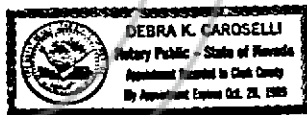
2. The above-described exception is a conveyance of 50% of his interest in the stock of the Corporation and/or his interest in the North Pond Tailings which is claimed by his former counsel, STANLEY M. MEYER, which conveyance SANTIAGO disputes and with respect to which SANTIAGO hereby agrees to indemnify DALLAS from any loss which may arise by reason of such claims by MEYER.

John Santiago
JOHN SANTIAGO

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

On this 14 day of September, 1987, before me, the undersigned Notary Public in and for said County and State, duly commissioned and sworn, personally appeared JOHN SANTIAGO, known to me to be the person whose name is subscribed to the within instrument, and known to me to be the person who affixed his name thereto as such and who acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

WITNESS my hand and official seal.



Debra K. Caroselli
NOTARY PUBLIC in and for said
County and State

88700

FILED AND RECORDED AT REQUEST OF
Western Mine Service
May 4, 1988
AT 1 MINUTE PAST 1 O'CLOCK
P. M. IN BOOK 79 OF OFFICIAL
RECORDS, PAGE 498, LINCOLN
COUNTY, NEVADA.

9/723

FRANK C. HULSE
COUNTY RECORDER
BY *Mala Corda*, Deputy

BOOK 79 PAGE 498