

MODIFICATION AGREEMENT  
DATED 1/16/89

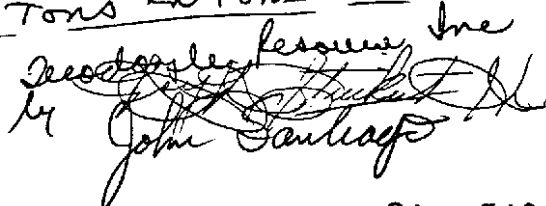
This modified Agreement modifies an agreement dated 12/14/88 between JOHN SANTIAGO and ROY R. STRICKERT et. al known as the "GROUP" which contract has been assigned simultaneous herewith by the "Group" to Quadrangle Resources, Inc.

The following is modified and corrected.

1. The agreement heretofore entered into between the parties on December 14th was incorrectly typed as 1989. The correct year is 1988.

2. PARAGRAPH II of the agreement dated 12/14/88 is amended to read as follows.

"Santiago does hereby sell, assign, and transfer all of his right, title, and interest in the Tailings to Group, consisting of Ponds 1 through POND 5, subject to the rights of MARGARET SANTIAGO to 220,000 TONS IN POND 5.

By  John Santiago

3. Paragraph V of the agreement dated 12/14/88 is amended as follows  
Six (6) months is changed to nine (9) months

part (a) of paragraph V is amended from Two hundred fifty thousand Dollars to Two hundred thousand (\$200,000) Dollars for Two hundred thousand tons (200,000).

4. Paragraph VII is amended to Three hundred thousand Dollars (\$300,000) for three hundred thousand (300,000) tons.

5. Paragraph IV is amended as follows so that the following is added to the end of the paragraph  
" The Ten thousand (\$10,000) Dollar payment provided herein shall be credited to the Two hundred thousand (\$200,000) Dollar payment required in Paragraph V

(Continued on next page)

Responsible Person John Santiago 84 PAGE 547  
*[Signature]*

6 Except as modified above the agreement dated 12/14/88 remains in effect

witness  
*[Signature]*

*[Signature]*  
JOHN SANTIAGO

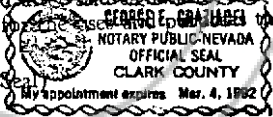
GUARANTEE Resources Inc  
*[Signature]*

STATE OF NEVADA  
County of CLARK } ss.

On this 18 day of APRIL 1989

personally appeared before me, GEORGE E. GRAZIADEI, a Notary Public in and for said County and State, ROY R. STRICKERT and

known to me to be the VICE President and Secretary of the Corporation that executed the foregoing instrument, and upon oath, did each depose that he is the officer of said Corporation as above designated; that he is acquainted with the seal of said Corporation and that the seal affixed to said instrument is the Corporate seal of said corporation; that the signatures to said instrument were made by officers of said Corporation as indicated on the said instrument, and that the said Corporation executed the said instrument freely and voluntarily and for the purposes therein mentioned.



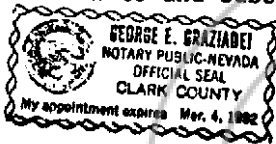
*[Signature]*  
Notary Public in and for said County and State

STATE OF NEVADA )  
 ) SS.  
County of Clark )

Before me, George E. Graziadei, a Notary Public, personally came Stanley Lehrer, to me known to be the individual whose signature is affixed to the foregoing instrument as one of the witnesses thereto, who, being sworn, says that he was present at the time when said instrument was executed; that he saw the same signed, sealed, and delivered by John Santiago, whose signature is thereto affixed as signatory; that Roger Jeppson, the other subscribing witness thereto, was likewise present at said time and witnessed said execution of said instrument; and that he, the said Stanley Lehrer, and the said Roger Jeppson, then and there signed the same as attesting witnesses.

*[Handwritten Signature]*  
STANLEY LEHRER

Sworn to and subscribed before me this 18th day of April, 1989.



*[Handwritten Signature]*  
Notary Public in and for said County and State

91082

FILED AND RECORDED AT REQUEST OF  
STANLEY LEHRER  
APRIL 19, 1989

At 11 minutes past 9 o'clock  
A.M. of the 18th day of April, 1989, at Lincoln  
County, Nevada.

FRANK HULSE  
COUNTY RECORDER

*[Handwritten Signature]*  
DEPUTY