This is the form of a material change report required under Section 85(1) of the Securities Act.

BC FORM 53-901F

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS, PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL – SECTION 85", AND PLACE EVERYTHING THAT IS REQUIRED TO BE FILED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer.

VICEROY RESOURCE CORPORATION
9th Floor
570 Granville Street
Vancouver, BC
V6C 3P1

Item 2. Date of Material Change

May 21, 2003

Item 3. Press Release

State the date and place(s) of issuance of the press release issued pursuant to Section 85(1) of the Act.

The press release was released on May 21, 2003 to The Toronto Stock Exchange, on which the Issuer's shares are listed and through various other approved public media.

Copy of the Press Release is attached as Schedule "A"

Item 4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Viceroy Resource Corporation, Quest Investment Corporation, Arapaho Capital Corp., and Avatar Petroleum Inc. (collectively the "Companies") announced that they have executed a formal arrangement agreement providing for a reorganization of the Companies by way of statutory plan of arrangement (the "Arrangement") under the *Company Act* (British Columbia). A general meeting for each of the Companies has been scheduled for June 18, 2003 to, among other things, approve the Arrangement.

Item 5. Full Description of Material Change

Supplement the summary required under item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for change, and a general comment on the probable impact on the reporting Issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

Vancouver, British Columbia - Viceroy Resource Corporation ("Viceroy") (VOY-TSX), Quest Investment Corporation ("Quest") (Q.A and Q.B - TSX), Arapaho Capital Corp. ("Arapaho") (AHO-TSXV) and Avatar Petroleum Inc. ("Avatar") (AVA-TSXV) (the "Companies") today announced that they have executed a formal arrangement agreement providing for a reorganization of Viceroy, Quest, Arapaho and Avatar by way of statutory plan of arrangement (the "Arrangement") under the *Company Act* (British Columbia) as contemplated by their March 4, 2003 press release. Furthermore, a general meeting for each of the Companies has been scheduled for June 18, 2003 to, among other things, approve the Arrangement. Notices and supporting documents for the general meetings have been mailed to the shareholders of each of the Companies. The comprehensive Joint Information Circular has been posted at www.questinvestcorp.com, www.viceroyresource.com, and www.sedar.com. To request a printed copy of the Joint Information Circular, please call one of the contacts posted at the end of this news release.

Plan Of Arrangement

Under the Arrangement, Viceroy will acquire all of the shares of each of Avatar, Quest Management Corp. ("Quest Management") (which is a wholly-owned subsidiary of Arapaho), and Quest, in that order by way of three separate share exchanges, in exchange for shares (post-consolidation) of Viceroy. Avatar and Quest will be dissolved into Viceroy. Viceroy's existing common shares will be consolidated on a one for three basis, its common shares will be redesignated as Class A Subordinate Voting shares (one vote per share), a new class of Class B Variable Multiple Voting shares (one to five votes per share) as well as two classes of Preferred shares will be created and Viceroy will change its name to "Quest Capital Corp." In conjunction with or concurrent with the share exchanges, Viceroy will distribute, by way of reduction of capital, to its common shareholders, as on the closing of the Arrangement, shares of:

(a) a company, Viceroy Exploration Ltd. ("ViceroyEx"), that will hold Viceroy's interest in the Gualcamayo project and other mineral exploration properties in Argentina (see Viceroy's March 25, 2003 press release); and

(b) a company, SpectrumGold Inc. ("SpectrumGold"), that will hold certain exploration agreements with respect to properties located in the Yukon and British Columbia to be received from NovaGold Resources Inc and Viceroy. (see Viceroy's May 1, 2003 press release).

Upon completion of the transactions set forth in the Joint Information Circular shareholders of the Companies involved will be entitled to receive the following post-Arrangement securities in exchange for their pre-Arrangement securities and as a consequence of the completion of the Arrangement:

1. holders of Viceroy shares will receive one Quest Capital Corp. Class A share in exchange for every three (3) Viceroy shares (pre-consolidation);

2. holders of Viceroy shares will be issued one (1) ViceroyEx share for every ten (10) Viceory shares (pre-consolidation) and one (1) SpectrumGold share for every thirty (30) Viceroy shares (pre-Consolidation);

3. holders of Avatar shares will be issued 0.2825 Quest Capital Corp. Class A share for each Avatar share;

4. Arapaho as the sole holder of all of the issued shares of Quest Management will be issued a total of 863,857 Quest Capital Corp. shares for all of the issued shares of Quest Management;

5. holders of Quest Class A shares will be issued 1.0514 Quest Capital Corp. Class A shares for each Quest Class A share; and

6. holders of Quest Class B shares will be issued 1.0514 Quest Capital Corp. Class B shares for each Quest Class B share.

Shareholders, who would be entitled to receive less than 100 Quest Capital Corp. Class A or B shares, less than 500 ViceroyEx shares or less than 500 SpectrumGold shares pursuant to the Arrangement, will receive a cash payment unless they elect to receive such shares and notify the transfer agent within 30 days of the completion of the Arrangement.

Shareholders of Quest Class A and B shares will no longer be receiving shares in a subsidiary company of Quest which holds Quest's interest in mineral assets in Peru as previously announced. Quest's management has decided that it was not cost effective due to the excessive costs associated with the distribution.

Viceroy – [Post Reorganization]

At the Viceroy Annual General Meeting, shareholders will be asked to approve a private placement in the Class A shares of the Company. Shareholders will be asked to authorize the issuance of 8,333,333 Units at a price of $1.20 per Unit (post-consolidation) to raise up to $10,000,000. Each Unit will consist of one Quest Capital Corp. Class A share and one warrant of Quest Capital Corp. Each warrant is exercisable for five years at $1.50 per Quest Capital Corp. Class A share, subject to a reduction in the exercise period if the Quest Capital Corp. Class A shares close above $2.25 for a specified period. As previously announced, Valdez Gold Inc. will not be participating in the Arrangement but has agreed to participate in the private placement.

Following the completion of the Arrangement and private placement, Viceroy will change its name to Quest Capital Corp. and be a publicly listed merchant bank that will provide financial services to small and mid-cap companies operating primarily in North America. Its principal business will be to provide asset backed bridge loans to companies generally operating in industries such as mining, oil and gas, real estate, and manufacturing. The proposed board of directors will consist of 10 members comprised of nominees from each of the Companies. It is expected that the reorganized company will have in excess of $90.0 million of total assets; and 76.5 million Class A shares and 4.3 million Class B shares issued and outstanding assuming the private placement is fully subscribed.

Item 6. Reliance on Section 85(2) of the Act

If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for such reliance.

INSTRUCTION

Refer to Section 85(3) of the Act concerning continuing obligations regarding reports filed under this subsection.

Not Applicable

Item 7. Omitted Information:

In certain circumstances where a material change has occurred and a material change report has bee or is about to be filed but Section 85(3) of the Act will no longer or will not be relied upon, a reporting Issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any omission in sufficient detail to permit the Commission to exercise its discretion under Section 169(4) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in Section 51 of the Rules.

Not Applicable

Item 8. Senior Officers

Give the name and business number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer.

Susan Neale, Chief Financial Officer
Telephone: (604) 688-9780

Item 9. Statement of Director

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, this 30th day of May, 2003.

VICEROY RESOURCE CORPORATION

Signed: *"Ronald K. Netolitzky"*

Ronald K. Netolitzky

SCHEDULE "A"

JOINT NEWS RELEASE
VICEROY RESOURCE CORPORATION
QUEST INVESTMENT CORPORATION
ARAPAHO CAPITAL CORP.
AVATAR PETROLEUM INC.

May 21, 2003

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Forward Looking Statement

This news release contains forward-looking information, which involves inherent risk and uncertainty affecting the business of Viceroy, Quest, Arapaho, and Avatar. Actual results realized may vary materially from the information provided in this presentation. As a result, there is no representation by Viceroy, Quest, Arapaho, and Avatar that actual results realised in the future will be the same in whole or in part as those presented herein.