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Diversified Royalty Corp. Announces \$30 Million Bought Deal Financing

Vancouver, British Columbia – October 14, 2014 – Diversified Royalty Corp. (TSX: DIV) (“**the Company**” or “**DIV**”) is pleased to announce that it has entered into an agreement with a syndicate of investment dealers co-led by Cormark Securities Inc. and GMP Securities L.P. (the “**Underwriters**”) pursuant to which the Underwriters have agreed to purchase 12,500,000 common shares (“**Shares**”) from the treasury of the Company, at a price of \$2.40 per Share and offer them to the public by way of short form prospectus (the “**Offering**”).

In addition, the Company has granted the Underwriters an option (“**Over-Allotment Option**”) to purchase up to an additional 1,875,000 Shares from the treasury of the Company at the offering price exercisable at any time up to 30 days following Closing (as defined below), for market stabilization purposes and to cover over-allotments, if any.

The net proceeds of the Offering will be used for general corporate purposes which may include potential future acquisitions.

Closing of the Offering is expected to occur on or about November 12, 2014 and is subject to regulatory approval including that of the Toronto Stock Exchange.

The Shares to be issued under the Offering will be offered by way of a short form prospectus in each of the provinces of Canada, except Québec, and may be offered in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, and certain other jurisdictions.

This news release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

COMMENTARY REGARDING FORWARD-LOOKING STATEMENTS

This news release includes forward-looking statements about Diversified Royalty Corp. including about the expected closing date and use of proceeds of the Offering. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as ‘expects’, ‘anticipates’, ‘intends’, ‘plans’, ‘believes’ and similar expressions. Forward looking statements are based on certain factors and assumptions, including that all approvals for the Offering will be obtained within the period of time expected and closing conditions will be satisfied are inherently subject to, among other things, risks and uncertainties about the Offering and our operations, economic factors and the industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by us, due to, but not limited to important factors such as the risk that the Offering may not be completed as contemplated. We caution that the foregoing list is not exhaustive. The reader is cautioned

to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. We are under no obligation (and expressly disclaim any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless otherwise required by law.

No regulatory authority has approved or disapproved the adequacy or accuracy of this news release.

About Diversified Royalty Corp.

DIV is a multi-royalty corporation, engaged in the business of acquiring top-line royalties from profitable, well-managed multi-location businesses and franchisors in North America. DIV's objective is to acquire predictable, growing royalty streams from a diverse group of multi-location businesses and franchisors.

DIV expects to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. DIV expects to pay a predictable and stable dividend to shareholders and increase the dividend as cash flow per share increases allow.

For further information:

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