



Diversified Royalty Corp. Provides Update on Advancement of Legal Fees for John Bennett

Vancouver, B.C., December 5, 2014, For Immediate Release

Diversified Royalty Corp. (TSX: DIV) (the "**Corporation**" or "**DIV**") announces the decision of the Ontario Superior Court in respect of the Corporation's motion to set aside the order requiring the advance payment of legal fees on behalf the Corporation's former director and officer, Mr. John Bennett, and Mr. Bennett's cross-motion for a retainer and other relief. The motions were heard on November 27, 2014 (rather than December 19, 2014 as previously scheduled).

In its decision released December 3, 2014, the Ontario Superior Court dismissed the Corporation's motion to set aside the order requiring advance payment of Mr. Bennett's legal fees, dismissed Mr. Bennett's motion for the Corporation to provide a retainer to Mr. Bennett's criminal defense counsel, and varied the previously ordered protocol for the advancement and reimbursement of Mr. Bennett's legal fees. Under the amended protocol, all invoices rendered by Mr. Bennett's criminal defence lawyer must be paid by the Corporation within 30 days of receipt, with the Corporation having a right to dispute such invoices before the Court. Mr. Bennett was extradited from Canada to New Jersey on November 13, 2014 to stand trial for conspiracy to defraud and major fraud against the United States, and a preliminary trial date has been set for late January, 2015.

The Corporation will continue to account for any liability in respect of Mr. Bennett's legal fees in the Corporation's financial statements. If it is finally determined that Mr. Bennett is not entitled to indemnification from the Corporation as a result of the New Jersey criminal proceedings or otherwise, the Corporation will seek reimbursement from Mr. Bennett for any amounts advanced on Mr. Bennett's behalf, although there is no certainty that Mr. Bennett will have the means to make such reimbursement in the future.

About Diversified Royalty Corp.

DIV is a multi-royalty corporation, engaged in the business of acquiring top-line royalties from 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.

Forward Looking Statements

Certain statements contained in this news release and in certain documents incorporated herein by reference may constitute forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or

achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “intend”, “may”, “will”, “project”, “should”, “believe”, “confident”, “plan” and “intends” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specifically, forward-looking statements in this news release include, but are not limited to, statements made in relation to: the related forthcoming legal proceedings in the United States involving Mr. Bennett; the financial implications for DIV of the verdict in the criminal proceedings involving Mr. Bennett in the United States and the ability of DIV to obtain reimbursement from Mr. Bennett with respect to any amounts owed by Mr. Bennett to DIV. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events, performance, or achievements of DIV to differ materially from those anticipated or implied in such forward-looking statements. DIV believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. In particular there can be no assurance that DIV will be able to: obtain reimbursement from Mr. Bennett; identify and make acquisitions that satisfy the Corporation’s business objectives or strategy; make monthly dividend payments to the holders of its common shares; or achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking statements included in this news release are not guarantees of future performance, and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date of this news release. DIV undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

In formulating the forward-looking statements contained herein, management has assumed that business and economic conditions affecting DIV will continue substantially in the ordinary course, including without limitation with respect to general industry conditions, general levels of economic activity and regulations. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

All of the forward-looking statements made in this news release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, DIV.

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.

Additional Information

Additional information relating to the Corporation and other public filings, is available on SEDAR at www.sedar.com.

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