

DIVERSIFIED

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ROYALTY CORP.

Diversified Royalty Corp adds Five New Restaurants to the Franworks Royalty Pool and Appoints a New Director

For Immediate Release – not for distribution to US news wire services or for US dissemination

VANCOUVER, BC April 1, 2015 – Diversified Royalty Corp (the “Company” or “DIV”) (TSX: DIV.T) and Franworks Franchise Corp (“Franworks”) announced today that effective April 1, 2015, the Franworks royalty pool (the “Royalty Pool”) has been adjusted to include the royalties from five new restaurants opened across Canada and to remove one restaurant in the US that has been permanently closed. With the adjustment for these five openings and one closure, the Royalty Pool now includes 82 restaurants.

“We are pleased with the performance of the five new Franworks restaurants rolled into the Royalty Pool, including three in Western Canada and two in Ontario” said Sean Morrison, President and CEO of DIV.

The estimated gross sales for the 2015 calendar year for the five new restaurants being added to the Royalty Pool is \$13.5 million and the gross sales for the permanently closed restaurant was \$3.5 million. Consequently, the estimated annual gross sales for the net new restaurants added to the Royalty Pool is \$10.0 million for the 2015 calendar year. Based on the 6% royalty payable by Franworks restaurants on gross sales, it is estimated that the net new restaurants will generate additional royalty revenue for the Company of \$0.6 million per annum.

The initial consideration for the estimated net additional royalty revenue is \$4,938,000, representing 80% of the total estimated consideration of \$6,173,000 payable to Franworks for such additional royalty revenue. The adjustment for net additional royalty revenue added to the Royalty Pool is designed to be accretive to DIV shareholders, as the consideration paid to Franworks is calculated using a 7.5% discount of the estimated net royalty revenue added to the Royalty Pool. The consideration is paid in the form of DIV shares on the basis of the 20-day volume weighted average closing price of DIV’s shares for the period ending March 25, 2015. Based on a weighted average closing price of \$2.69 per share, the initial consideration payable for the net additional royalty revenue was paid to Franworks in the form of 1,835,728 DIV shares.

The remaining consideration payable for net additional royalty revenue will be paid to Franworks on April 1, 2016, the next Adjustment Date, and will be adjusted to reflect the actual gross sales of the five new restaurants for the year ended December 31, 2015, as determined through an audit.

As a result of the adjustment to the Royalty Pool, Franworks now owns 10,827,915 DIV shares, representing 15.4%, of DIV’s issued and outstanding common shares, on a non-diluted basis. DIV has received conditional approval from the TSX for the listing of the 1,835,728 DIV shares issued to Franworks. The listing of these shares is subject to DIV fulfilling all of the requirements of the TSX on or before May 14, 2015.

The Royalty Pool is adjusted annually on April 1 (the “Adjustment Date”) to include new Franworks restaurants that have been open for at least 365 days prior to the Adjustment Date, and to remove Franworks restaurants that have permanently closed during the previous calendar year. For further

details with respect to the manner in which annual adjustments of the Royalty Pool occur and the agreements underlying the procedures therefor, see DIV's Annual Information Form dated March 25, 2015, a copy of which is available on SEDAR at www.sedar.com.

Paula Rogers, CA

DIV is pleased to announce the appointment of Ms. Paula Rogers to its board of directors and as Chair of the Audit Committee, effective March 20, 2015.

Ms. Rogers has over 20 years of experience working for Canadian-based international public companies and has a strong background in corporate governance, treasury, mergers and acquisitions, and financial reporting. Ms. Rogers is currently a Corporate Director and is Chair of the Audit Committee of Timmins Gold Corp. and NeutriSci International Inc. She previously worked as the Vice-President, Treasurer of Goldcorp Inc., Treasurer of Wheaton River Minerals Ltd. and Treasurer of Silver Wheaton Corp. and was responsible for the financing and tax structuring of several significant transactions. Ms. Rogers is a graduate of the University of British Columbia with a Bachelor of Commerce degree and holds a Chartered Accountant designation.

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's first royalty is with Franworks which operates 87 mid-tier casual neighborhood pub restaurants under the Original Joe's, State & Main, and Elephant & Castle brands across Canada and in select US markets and generates over \$200 million of total system sales.

DIV is currently paying an annual dividend of \$0.1884 (\$0.0157 per month) and 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 referred to herein 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 amount and timing of the payment for the remaining consideration payable to Franworks for the net new royalty revenue from the five Franworks restaurants added to the Royalty Pool; the completion of an audit of the gross sales of the five Franworks restaurants added to the Royalty Pool; the listing of 1,835,728 common shares of DIV on the TSX; DIV's corporate objectives; and DIV's expectation that it will pay a predictable and stable dividend to shareholders and increase the dividend as cash flow per share

increases allow. 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: the amount of, or timing of the payment for, the additional consideration payable to Franworks for the net new royalty from the five additional Franworks Restaurants added to the Royalty Pool will occur in the amount or at the time estimated; that an audit will be completed on the gross sales of the five new Franworks restaurants added to the Royalty Pool; that the results of the audit will be satisfactory to DIV; that final TSX approval will be received for the listing of 1,835,728 DIV shares issued to Franworks; DIV will be able to make monthly dividend payments to the holders of its common shares; DIV will 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 are available on SEDAR at www.sedar.com.

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