Diversified Royalty Corp. Announces Third Quarter Results, Positive Portfolio Same-Store-Sales Growth, Adoption of Dividend Reinvestment Plan and November 2015 Dividend

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

Vancouver, BC, November 9, 2015 – Diversified Royalty Corp. (TSX: DIV) (the "Company" or "DIV") is pleased to announce its financial results for the three-month period ended September 30, 2015 ("Third Quarter"). A copy of this news release and DIV's Unaudited Condensed Consolidated Interim Financial Statements and accompanying Management's Discussion and Analysis for the Third Quarter are available on SEDAR at www.sedar.com and on DIV's website at www.diversifiedroyaltycorp.com.

Third Quarter Results

DIV generated $5.7 million of royalty revenue and management fees in the Third Quarter. $3.3 million of the royalty revenue was received from Franworks Franchise Corp. ("Franworks"), $0.9 million of royalty revenue and management fees was received from Sutton Group Realty Services Ltd. ("Sutton") and $1.5 million of royalty revenue and management fees was received from Mr. Lube Canada LP ("Mr. Lube").

Mr. Lube

The same-store-sales growth ("SSSG") of the 117 Mr. Lube flagship stores in the royalty pool was 3.3% for the Third Quarter and 6.7% for September, the first full month DIV owned the Mr. Lube trademarks. Mr. Lube made royalty and management fee payments for the 13 days in August from the closing of the Mr. Lube trademark acquisition ("Mr. Lube Acquisition") on August 19, 2015 and for the month of September.

Franworks

Management of DIV estimates the SSSG of the 82 Franworks restaurants in the royalty pool for the Third Quarter at -2.2%[1], in Canadian dollars. 79 out of the 82 Franworks restaurants in the royalty pool were open during the Third Quarter of 2014 and 2015 (SSSG of -3.0%[2] in Canadian dollars). One of the Franworks restaurants in the royalty pool was under renovation in July and August of 2014 (SSSG of 31.4% in September). A second restaurant was under renovation in July 2014 (August & September SSSG of 16.2%). A third Franworks restaurant was under renovation in August and September of 2015 (year-to-date SSSG were 2.2% prior to the renovation).

Sutton

Sutton made its scheduled fixed monthly royalty and management fee payments during the Third Quarter. Sutton's fixed royalty increases at a contractual rate of 2% per year with the first increase effective July 1, 2016.

DIV incurred ongoing cash operating expenses of $0.3 million and cash interest expense on its credit facilities of $0.4 million for distributable cash of $5.0 million in the Third Quarter. DIV incurred $1.1 million of expenses related to the John Bennett litigation, and $0.1 million of non-cash share based compensation expenses, $0.5 million of other non-recurring expenses and $0.9 million of income tax expense. Net income for the Third Quarter was $2.4 million ($0.03 per share).

Third Quarter Commentary

Sean Morrison, President and Chief Executive Officer of DIV stated, "Mr. Lube's strong positive Third Quarter SSSG and Sutton's fixed royalty offset Franworks negative SSSG. Overall, DIV's weighted average Third Quarter SSSG, in Canadian dollars, were slightly positive. DIV's positive portfolio SSSG is a testament to the

[1] Excluding the impact of translating U.S. sales into Canadian dollars, the estimated SSSG of the 82 Franworks restaurants was -4.4%.
[2] Excluding the impact of translating U.S. sales into Canadian dollars, the SSSG of the 79 Franworks restaurants was -5.1%

quality and diversification of its royalty streams with approximately 44% of its revenues from Mr. Lube, 44% from Franworks and 12% from Sutton."

"Mr. Lube's Third Quarter SSSG results were strong and its September results were especially strong. Mr. Lube continues to execute on its business plan, leverage its market leading position and build on its 15 straight years of positive flagship SSSG. September 2015 results benefited from Mr. Lube's semi-annual windshield wiper blade promotion which started September 21st this year as compared to the promotion starting in Q4 of the prior year."

"Third quarter SSSG results for Franworks were challenged by the economic conditions across the prairie provinces. Franworks generated positive SSSG in BC and Ontario while the US stores remained stable during the Third Quarter. Franworks' renovated restaurants are generating strong SSSG and the five State & Main restaurants opened over the past 20 months in Ontario are performing to expectations which bodes well for continued Ontario expansion."

"Sutton hired Drew Keddy as its new President and CEO. Drew has over 20 years of real estate industry experience, including 15 years with Colliers International. I have worked with and known Drew for over 15 years and look forward to Sutton's continued success under his leadership. Sutton's Third Quarter results were in line with expectations."

"Mr. Lube is building off of its strong September and having a record start to the three-month period ended December 31, 2015 ("Fourth Quarter"). Franworks is working with its Prairie based franchisees and joint venture partners to manage through the current challenging economic conditions in these markets. Franworks has launched some new marketing initiatives to drive traffic and is focused on controlling its corporate costs. Sutton's business remains stable and the new President and CEO is actively pursuing growth opportunities."

Litigation expenses continued to be incurred in the Third Quarter related to the court-ordered indemnification by the Company of John Bennett's reasonable legal expenses for his criminal trial, schedule to start in February 2016. In October 2015, DIV filed a motion in Ontario courts to challenge the reasonableness of the reimbursed legal expenses and will continue to take all steps within its power to manage this issue in the best interest of its shareholders.

The Third Quarter was very productive for DIV with the July 23, 2015 announcement and August 19, 2015 closing of the Mr. Lube Acquisition as well as the closing of the $115 million bought deal equity financing. With the completion of the Mr. Lube Acquisition, management believes DIV is well positioned to continue the execution of its business strategy of acquiring trademarks and royalties from a diverse group of high quality multi-location and franchisor businesses. Sean Morrison said, "We are pleased with the traction DIV is getting in the marketplace with respect to its unique royalty financing and we are actively pursuing several additional royalty opportunities."

A more detailed discussion of DIV's Third Quarter results is available in its Unaudited Condensed Consolidated Interim Financial Statements and accompanying Management Discussion and Analysis for the Third Quarter, copies of each of which are available on SEDAR at www.sedar.com.

November 2015 Dividend

DIV is pleased to announce that its board of directors has approved a cash dividend of $0.01854 per common share for the period of November 1, 2015 to November 30, 2015, which is equal to $0.2225 per common share on an annualized basis. The dividend will be paid on November 30, 2015 to shareholders of record on November 20, 2015.

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Dividend Reinvestment Plan

DIV is pleased to announce that its board of directors has adopted a dividend reinvestment plan (the "DRIP") commencing with the Corporation's November 2015 dividend.

The DRIP allows eligible holders of the Corporation's common shares ("Common Shares") to reinvest their cash dividends paid in respect of their Common Shares in additional Common Shares, which, at the Corporation's election, will be issued from treasury or purchased on the open market. If the Corporation elects to issue Common Shares from treasury, such Common Shares will be purchased under the DRIP at a 3% discount to the volume weighted average of the closing price for the Common Shares on the TSX for the five trading days immediately preceding the relevant dividend payment date. The Corporation may, from time to time, in its sole discretion, change or eliminate the discount applicable to Common Shares issued from treasury.

To be eligible to participate in the DRIP, holders of Common Shares must be resident in Canada. Participation in the DRIP does not relieve shareholders of any liability for taxes that may be payable in respect of dividends that are reinvested in new Common Shares under the DRIP. Shareholders should consult their tax advisors concerning the tax implications of their participation in the DRIP having regard to their particular circumstances.

The full text of the DRIP is available under the "Investor Relations" section of the Corporation's website located at http://diversifiedroyaltycorp.com and on Computershare's website located at www.investorcentre.com. Eligible beneficial shareholders who wish to participate in the DRIP should contact their investment advisor, bank or brokerage firm to enroll in the DRIP. Eligible registered shareholders may enroll online at Computershare's web portal located at www.investorcentre.com.

Shareholders should carefully read the complete text of the DRIP before making any decisions regarding participation in the DRIP.

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 currently owns the Franworks, Sutton, and Mr. Lube trademarks. Franworks operates 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 $225 million of gross sales annually. Sutton is among the leading residential real estate brokerage franchisor businesses in Canada with approximately 8,000 agents and 200 offices across Canada. Mr. Lube is the leading quick lube service business in Canada with 169 locations across Canada and approximately $200 million of system sales.

DIV is currently paying a dividend 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 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: management's belief that DIV is well positioned to continue the execution of its business strategy of acquiring trademarks and royalties from high quality multi-location and franchisor businesses; ongoing litigation with John Bennett; and DIV's corporate objectives and strategies. 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 well positioned to continue the execution of its business strategy of acquiring trademarks and royalties from high quality multi-location and franchisor businesses; John Bennett's criminal trial in New Jersey will commence in accordance with the timing currently expected; DIV will make monthly dividend payments to the holders of its common shares; DIV will complete additional royalty purchases; 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 and its royalty partners 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 Company and other public filings are available on SEDAR at www.sedar.com.

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