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ROYALTY CORP.

Diversified Royalty Corp. Announces Closing of Sale of Franworks Trademarks to Cara

Vancouver, B.C., November 28, 2016, For Immediate Release – Diversified Royalty Corp. (TSX: DIV) (the "Corporation" or "DIV") is pleased to announce that it has closed its previously announced transaction (the "Sale Transaction") to sell the trademarks and rights related to the Franworks restaurants businesses ("FW Rights") for $90.0 million, the cancellation of 8,992,187 DIV common shares (the "Initial Shares") held by Original Joe's Franchise Group Inc. ("OJFG"), a wholly owned subsidiary of Franworks Franchise Corp ("Franworks"), the extinguishment of OJFG's right to receive 637,051 DIV common shares related to the April 1, 2015 royalty pool adjustment (the "Roll-In Shares") and the extinguishment of OJFG's right to receive accrued dividends on the Roll-In Shares to the date of closing, which immediately prior to closing totaled approximately $0.2 million.

The Sale Transaction with Franworks and OJFG was part of a larger transaction whereby Cara Operations Limited ("Cara") (TSX: CARA) entered into an agreement with OJFG to acquire majority control of OJFG for $93.0 million. $90.0 million of Cara's $93.0 million investment in OJFG was used to fund the acquisition of the FW Rights by OJFG. Cara's investment in OJFG and the Sale Transaction closed concurrently with an effective closing date of November 27, 2016.

Sean Morrison, President and Chief Executive Officer of DIV, stated, "With the sale of the FW Rights, DIV's exposure to the economic weakness in Alberta has been significantly reduced. I would like to thank Derek Doke and Franworks for playing a pivotal role in the creation of DIV. With over $80 million of cash on DIV's balance sheet and two strong royalty partners, DIV is well-positioned to pursue the acquisition of additional royalty streams from growing, multi-location businesses and franchisors."

DIV used approximately $15 million of the cash proceeds from the Sale Transaction to extinguish outstanding term debt with the remaining cash proceeds, net of transaction expenses, being added to DIV's cash balance.

DIV, Franworks, OJFG, Derek Doke and DIV's direct subsidiaries FW Royalties Limited Partnership ("**FW LP**") and FW Royalties GP Inc. entered into a mutual release and termination agreement (the "**Mutual Release and Termination Agreement**") at closing of the Sale Transaction in order to terminate the previously existing royalty and other commercial arrangements between the parties. A copy of the Mutual Release and Termination Agreement has been filed on SEDAR and is available under DIV's profile at www.sedar.com. Notwithstanding the foregoing, OJFG continued to make royalty payments to FW LP up to the date of closing of the Sale Transaction pursuant to the terms of the Licence and Royalty Agreement between such parties.

The undertakings of each of Franworks and OJFG dated September 26, 2014 previously delivered to the securities commissions and other securities regulatory authorities in each of the provinces of Canada, the terms of which are summarized in DIV's annual information form for the year ended December 31, 2015, were terminated in connection with the closing of the Sale Transaction. Accordingly, the financial statements and management's discussion and analysis of Franworks for the interim period ended September 30, 2016, represent the last financial period in respect of which separate financial statements and management's discussion and analysis will be filed by Franworks under DIV's profile on SEDAR at www.sedar.com.

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 Sutton and Mr. Lube trademarks. Sutton is among the leading residential real estate brokerage franchisor businesses in Canada with approximately 7,900 agents and 200 offices across Canada. Mr.

Lube is the leading quick lube service business in Canada with 170 locations across Canada and approximately $200 million of annual 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 within the meaning of applicable securities laws 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 or financial outlook. 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: DIV being well-positioned to pursue the acquisition of additional royalty streams from growing, multi-location businesses and franchisors; 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. The forward looking statements contained in this news release 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 the forward-looking statements contained in this news release 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 complete acquisitions of additional royalties, or that such transactions will be successful; DIV will make monthly dividend payments to the holders of its common shares, in the amounts currently paid, or at all; or DIV will be able to 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. More information about the risks and uncertainties affecting DIV's business and the businesses of its royalty partners can be found in the "Risk Factors" section of its Annual Information Form dated March 29, 2016, which is available under DIV's profile on SEDAR at www.sedar.com.

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 forward-looking statements are made as of the date of this news release and DIV assumes no obligation to publicly update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

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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