

# DIVERSIFIED

DIV

ROYALTY CORP.

## Diversified Royalty Corp. Announces September 2017 Cash Dividend and Closing of \$17.4 Million Credit Facility

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

**Vancouver, BC, September 6, 2017** – Diversified Royalty Corp. (TSX: DIV) (the “Corporation” or “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 September 1, 2017 to September 30, 2017, which is equal to \$0.2225 per common share on an annualized basis. The dividend will be paid on September 30, 2017 to shareholders of record on September 29, 2017.

### Closing of AM Royalties LP Credit Facility

On September 6, 2017, AM Royalties Limited Partnership (“AM LP”), a wholly owned subsidiary of DIV that owns the AIR MILES® trademarks and certain related Canadian intellectual property rights (collectively, the “AIR MILES® Program”), entered into a credit agreement with a Canadian chartered bank for a senior credit facility (the “Credit Facility”) that comprises of a term loan facility of \$17.4 million and a revolving facility of \$3 million. The non-amortizing Credit Facility has a term of 60 months and has a floating interest rate equal to the Bankers’ Acceptance Rate plus 2.25%. The proceeds from the term loan facility were used to partially refinance the acquisition of the AIR MILES® Program, which closed on August 25, 2017 and was originally funded by cash on hand. The Credit Facility is secured by the AIR MILES® Program and the royalties payable in connection therewith and has debt covenants customary for this type of credit facility. A copy of the credit agreement governing the Credit Facility will be filed under DIV’s profile on SEDAR at [www.sedar.com](http://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, Mr. Lube and AIR MILES® trademarks. Sutton is among the leading residential real estate brokerage franchisor businesses in Canada with approximately 8,000 agents and over 200 offices across Canada. Mr. Lube is the leading quick lube service business in Canada with 170 locations across Canada and over \$200 million of annual system sales. AIR MILES® is Canada’s largest coalition loyalty program with over 170 brand name sponsors; approximately two-thirds of Canadian households actively participate in the AIR MILES® Program.

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: the amount and timing of the September 2017 dividend to be paid to DIV's shareholders; the filing of the credit agreement governing the Credit Facility on SEDAR and DIV's corporate objectives. 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 make monthly dividend payments to the holders of its common shares; DIV will file the credit agreement governing the Credit Facility on SEDAR or 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. 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 28, 2017, which is available under DIV's profile on SEDAR at [www.sedar.com](http://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](http://www.sedar.com).

Contact:

Sean Morrison, President and Chief Executive Officer  
Diversified Royalty Corp.  
(604) 235-3146

Greg Gutmanis, Chief Financial Officer and VP Acquisitions  
Diversified Royalty Corp.  
(604) 235-3146