



Diversified Royalty Corp. Announces Renewal of AIR MILES® Contract by BMO

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

Vancouver, B.C., October 16, 2017, For Immediate Release – Diversified Royalty Corp. (TSX: DIV) (the “Corporation” or “DIV”) is pleased to announce that LoyaltyOne Co. (“LoyaltyOne”), the operator of the AIR MILES® Reward Program in Canada, has signed a multi-year sponsorship renewal agreement with the Bank of Montreal (“BMO”). According to Alliance Data Systems Inc.’s news release dated October 16, 2017, BMO will continue to issue AIR MILES® reward miles to consumer and business customers through its various BMO Mastercard products and debit spend within the BMO AIR MILES Banking Plan. BMO is currently the largest sponsor participating in the AIR MILES® Reward Program in Canada.

Sean Morrison, President and Chief Executive Officer of DIV, stated, “The renewal of the BMO contract provides strong support for our royalty and is a testament to the strength of the AIR MILES brand in Canada.”

Pursuant to two licence agreements between DIV and LoyaltyOne, DIV receives an aggregate royalty, payable quarterly, equal to 1% of gross billings from the AIR MILES® Reward Program in Canada. Copies of the licences have been filed under DIV’s profile on SEDAR and are available 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 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 in Canada. 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 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: BMO will continue to issue AIR MILES® reward miles to consumer and business customers through its various BMO Mastercard products and debit spend within the BMO AIR MILES Banking Plan under the terms of the renewed contract; 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: BMO’s sponsorship will continue to provide revenues to LoyaltyOne and thus royalty revenues to DIV in amounts consistent with current payments or at all; DIV will be able to achieve any of its corporate objectives or make monthly dividend payments to the holders of its common shares. 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 the 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.

Third Party Information

This news release includes information obtained from third party company filings and reports and other publicly available sources. Although DIV believes these sources to be generally reliable, such information cannot be verified with complete certainty. Accordingly, the accuracy and completeness of this

information is not guaranteed. DIV has not independently verified any of the information from third party sources referred to in this news release nor ascertained the underlying assumptions relied upon by such sources.

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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