

DIVERSIFIED

DIV

ROYALTY CORP.

Diversified Royalty Corp. Announces Q3 2017 Earnings Release Date, Mr. Lube and Sutton Q3 2017 Results, and Amendment of the Licence and Royalty Agreement with Mr. Lube for Tire Sales.

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

Vancouver, BC, October 27, 2017 – Diversified Royalty Corp. (TSX: DIV) (the “Corporation” or “DIV”) will release earnings results for the three and nine months ended September 30, 2017 following the closing of regular trading on the Toronto Stock Exchange on November 9, 2017.

Mr. Lube Third Quarter Results

Mr. Lube reported same-store-sales-growth (“SSSG”) of 4.7% for the 117 Mr. Lube flagship stores in the royalty pool for the third quarter of 2017, compared to SSSG of 1.4% in the third quarter of 2016. Mr. Lube’s SSSG was driven by continued strong store-level execution. Mr. Lube’s Q3 results are available on SEDAR at www.sedar.com.

Sutton Third Quarter Results

Sutton’s Q3 results were within the range of our expectations and are available on SEDAR at www.sedar.com.

Amendment of Licence and Royalty Agreement with Mr. Lube to Accommodate New Tire Sales Program

In September 2017, Mr. Lube Canada Limited Partnership (“Mr. Lube”) launched a new retail tire program. DIV is pleased to accommodate this new incremental line of business and as such, on October 20, 2017, ML Royalties Limited Partnership (“ML LP”), a wholly owned subsidiary of DIV, amended its licence and royalty agreement (the “ML LRA Amendment”) with Mr. Lube in respect of this new retail tire program. Mr. Lube is charging a lower royalty fee and waived certain other fees payable by Mr. Lube franchisees on the sale of tires and rims to account for the lower margins on these hard goods. Pursuant to the ML LRA Amendment, ML LP has agreed to charge an effective royalty rate payable on system sales derived from the sale of tires and rims of 2.5% (compared to 6.95% on all other system sales) for the locations currently in the Mr. Lube royalty pool. DIV expects that this new retail tire program will drive incremental service revenue for Mr. Lube, on which DIV charges a 6.95% effective royalty. The ML LRA Amendment is effective from September 18, 2017. A copy of the ML LRA Amendment is available 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, 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 200 leading 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: the timing of the release of DIV’s earnings results for the three and nine months ended September 30, 2017; DIV’s expectation that Mr. Lube’s new retail tire program will drive incremental service revenue for Mr. Lube, on which DIV charges a 6.95% effective royalty; DIV’s ability to pay a predictable and stable dividend to shareholders; 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: Mr. Lube’s new retail tire program will drive incremental service revenue for Mr. Lube on which DIV’s royalty is based; DIV will be able to make monthly dividend payments to the holders of its common shares; 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 and the “Risk Factors” section of its Preliminary Short Form Prospectus dated October 23, 2017, which are 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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