FORM 51-102F3
Material Change Report

Item 1 Name and Address of Issuer:

Diversified Royalty Corp. ("**DIV**" or the "**Corporation**")
Suite 330 – 609 Granville Street
P.O. BOX 10033
Vancouver, BC V7Y 1A1

Item 2 Date of Material Change:

October 28, 2021

Item 3 News Release:

A news release (the "**News Release**") reporting the material change was issued by DIV and disseminated through Globe Newswire on October 28, 2021 and subsequently filed on SEDAR at www.sedar.com.

Item 4 Summary of Material Change:

On October 28, 2021, the Board of Directors of the Corporation (the "**Board**") approved an increase to the monthly dividend from $0.0175 per share per month ($0.21 per share on an annualized basis) to $0.01833 per share per month ($0.22 per share on an annualized basis) effective November 2021.

Item 5 Full Description of Material Change:

On October 28, 2021, the Board approved an increase to the monthly dividend from $0.0175 per share per month ($0.21 per share on an annualized basis) to $0.01833 per share per month ($0.22 per share on an annualized basis) effective November 2021.

DIV announced the 4.7% dividend increase as a result of its royalty partners continuing to experience positive trends. DIV remains cautiously optimistic that its royalty partners will continue to have a meaningful recovery in their respective businesses as the economy stabilizes. The Board, in consultation with management, continues to monitor the performance of DIV and its royalty partners, and will consider further adjustments to its dividend while maintaining a target annual payout ratio below 100%.

Forward-Looking Statements

Certain statements contained in this material change report may constitute "forward-looking information" within the meaning of applicable securities laws that 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 information. The use of any of the words "anticipate", "continue", "estimate", "expect", "intend", "may", "will", "project", "should", "believe", "confident", "plan" and "intend" and similar expressions are intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specifically, forward-looking information in this material change report includes, but is not limited to, statements made in relation to: the increase to DIV's monthly dividend effective November 2021; DIV remaining cautiously optimistic that its royalty partners will continue to have a meaningful recovery in their respective businesses as the economy stabilizes; and the Board, in consultation with management, continuing to monitor the performance of DIV and its royalty partners, and considering further adjustments to DIV's dividend while maintaining a target annual payout ratio below 100%. 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 by such forward-looking information. DIV believes that the expectations reflected in the forward-looking information included in this material change report are reasonable but no assurance can be given that these expectations will prove to be correct. In particular, risks and uncertainties include: DIV may not increase its dividend in accordance with the currently expected timing or amounts; there may be no future increases to DIV's dividend; DIV's payout ratio may from time to time exceed 100% notwithstanding DIV's target is a payout ratio below 100%; COVID-19 may have a more significant negative impact on DIV and its royalty partners (including their respective franchisees) than currently expected and the businesses of DIV's royalty partners (and their respective franchisees) may not fully recover following the relaxation of government restrictions or post vaccinations; current improvement trends being experienced by certain of DIV's royalty partners (and their respective franchisees) may not continue and may regress; royalty partner locations that are temporarily closed may not reopen; the rates of recovery for DIV's royalty partners will be dependent upon, among other things, the availability and effectiveness of vaccines for the COVID-19 virus, government responses, rates of economic recovery, precautionary measures taken by consumers and the rate at which government restrictions will be lifted or meaningfully relaxed; DIV may not be able to make monthly dividend payments to the holders of its common shares; dividends are not guaranteed and may be reduced, suspended or terminated at any time; or DIV may not achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information included in this material change report is not a guarantee of future performance, and such forward-looking information 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 11, 2021 and in DIV's most recently filed management's discussion and analysis, copies of which are available under DIV's profile on SEDAR at www.sedar.com.

In formulating the forward-looking information contained herein, management has assumed that DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; lenders will provide any necessary waivers required in order to allow DIV to continue to pay dividends; the impacts of COVID-19 on DIV and its royalty partners (including their respective franchisees) will be consistent with DIV's expectations and the expectations of management of each of its Royalty Partners, both in extent and duration; DIV and its royalty partners (including their respective franchisees) will be able to reasonably manage the impacts of the COVID-19 pandemic on their respective businesses; vaccination programs will be successful and vaccines effective, and the expected positive impacts thereof on DIV and the businesses of its royalty partners (including their respective franchisees) will be consistent with DIV's expectations; the performance of DIV's royalty partners will be consistent with DIV's and its royalty partners' respective expectations; and recent positive trends for certain of DIV's royalty partners (including their respective franchisees) will continue and not regress. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

All of the forward-looking information in this material change report is qualified in its entirety 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 information included in this material change report is presented as of the date of this material change report 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.

Non-IFRS Financial Measures

Management believes that disclosing certain non-IFRS financial measures provides readers with important information regarding the Corporation's financial performance and its ability to pay dividends and the performance of its royalty partners. By considering these measures in combination with the most closely comparable IFRS measure, management believes that investors are provided with additional and more useful information about the Corporation and its royalty partners than investors would have if they simply considered IFRS measures alone. The non-IFRS financial measures do not have standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS measures should not be construed as a substitute or an alternative to cash flows from operating activities as determined in accordance with IFRS.

"Distributable cash" and "payout ratio" are used as non-IFRS measures in this material change report. Distributable cash is a non-IFRS financial measure that does not have a standardized meaning prescribed by IFRS. Management believes that distributable cash provides investors with useful information about the amount of cash the Corporation has generated to cover dividends on its common shares during the applicable period. Readers should be cautioned, however, that distributable cash should not be construed as an alternative to the statement of cash flows as a measure of liquidity and cash flows of the Corporation. The Corporation's method of calculating distributable cash may differ from that of other issuers and companies and, accordingly, distributable cash may not be comparable to similar measures used by other issuers or companies. The payout ratio is calculated by dividing the total dividends declared during the period by the distributable cash generated in that period. The payout ratio is not a recognized measure under IFRS, however, management of the Corporation believes that it provides supplemental information regarding the extent to which the Corporation distributes cash as dividends, when compared to its cash flow capacity. The Corporation's method of calculating payout ratio may differ from those of other issuers or companies and, accordingly, payout ratio may not be comparable to similar measures used by other issuers or companies. In addition, see the "Description of Non-IFRS and Additional IFRS Measures" in DIV's most recently filed management's discussion and analysis, a copy of which is available on SEDAR at www.sedar.com.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7 Omitted Information:

No significant facts otherwise required to be disclosed in this report have been omitted.

Item 8 Executive Officer:

For further information, please contact:

Greg Gutmanis, Chief Financial Officer and VP Acquisitions
Diversified Royalty Corp.
Phone: (236) 521-8471

Item 9 Date of Report:

October 28, 2021