June 25, 2026

DIVERSIFIED ROYALTY CORP.

BOUGHT TREASURY OFFERING OF COMMON SHARES

TERM SHEET

A FINAL BASE SHELF PROSPECTUS DATED JULY 22, 2025 (THE "BASE SHELF PROSPECTUS") CONTAINING IMPORTANT INFORMATION RELATING TO THE SECURITIES DESCRIBED IN THIS DOCUMENT HAS BEEN FILED WITH THE SECURITIES REGULATORY AUTHORITIES IN EACH OF THE PROVINCES AND TERRITORIES OF CANADA.

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THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN THE UNITED STATES EXCLUSIVELY TO QUALIFIED INSTITUTIONAL BUYERS, AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT. EACH OFFEREE IN THE UNITED STATES IS HEREBY NOTIFIED THAT THE OFFER AND SALE OF SECURITIES TO IT IS BEING MADE IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

(ALL AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED)

Issuer:	Diversified Royalty Corp. (the "Company").
Offering:	Treasury offering of 10,730,000 common shares (the "Common Shares" or "Securities") of the Company (the "Offering").
Offering Price:	$4.66 per Common Share.
Offering Size:	$50,001,800 ($57,502,070 if the Over-Allotment Option (as defined below) is exercised in full).
Over-Allotment Option:	The Underwriters (as defined below) shall have the option (the "Over-Allotment Option") to purchase up to an additional 15% of the Securities sold pursuant to the Offering from treasury on the same terms of the Offering at any time up to 30 days following Closing (as hereinafter defined), solely for market stabilization purposes and to cover over-allotments, if any.
Use of Proceeds:	The net proceeds of the Offering are intended to be used to repay outstanding amounts under the Company's acquisition facility that was drawn in connection with DIV's recent acquisition of the Mr. Lube + Tires franchisor business and for working capital and general corporate purposes.
Dividends:	Dividends, if declared, are currently payable by the Company on a monthly basis. The declaration and payment of dividends on Common Shares by the Company are at the discretion of the board of directors of the Company. The first cash dividend payable on the Common Shares issued under this Offering, if and when declared, is currently anticipated to be payable on July 31, 2026 to shareholders of record on July 15, 2026.
Underwriting Basis:	"Bought deal" with conventional bought deal termination provisions to be included in a definitive underwriting agreement.

Offering Basis:	The Common Shares will be offered (i) by way of a prospectus supplement to the Company’s short form base shelf prospectus dated July 22, 2025, to be filed in all provinces and territories of Canada, except Quebec; (ii) in the United States on a private placement basis to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A, and (iii) in jurisdictions outside of Canada and the United States, as agreed to between the Company and the Underwriters, in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction and the Company will not be subject to any continuous disclosure requirements in such jurisdiction. A copy of the short form base shelf prospectus is, and a copy of the prospectus supplement and any amendments will be, available at www.sedarplus.ca.
Eligibility:	The Securities will be eligible for Canadian RRSPs, RRIFs, DPSPs, RESPs, RDSPs, TFSAs and FHSAs.
Standstill Period:	The Company will be subject to 90 day standstill period, subject to certain exceptions.
Lock-Up Period:	The Company’s executive officers and directors will be subject to a 90 day lock-up period, subject to certain exceptions.
Listing:	The common shares of the Company are listed and trade on the Toronto Stock Exchange (“TSX”) under the symbol “DIV”. Closing of the Offering shall be conditional upon listing of the Common Shares issuable under the Offering on the TSX.
Underwriters’ Fee:	4.5% of the gross proceeds of the Offering.
Underwriters:	A syndicate of underwriters led by CIBC Capital Markets and ATB Cormark Capital Markets (the "Underwriters").
Closing Date:	July 6, 2026, or such other date as the Underwriters and the Company may agree.