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NEWS RELEASE

ROYAL SAPPHIRE CORP. SIGNS NON-BINDING LETTER OF INTENT FOR RTO WITH BLUE FIN HOLDING CO.

Vancouver, B.C. August 4, 2017 – Royal Sapphire Corp. (TSX.V: RSL) (the "**Company**" or "**Royal Sapphire**") is pleased to announce that it has entered into a non-binding agreement (the "**LOI**") with Blue Fin Holdings Co., ("**Blue Fin**") which outlines the general terms and conditions of a proposed business combination pursuant to which Royal Sapphire will acquire all of the issued and outstanding securities of Blue Fin in exchange for securities of Royal Sapphire. Under the terms of the Agreement, the shareholders of Blue Fin will receive 1.25 common share of Royal Sapphire for each Blue Fin share held. The proposed transaction is anticipated to be carried out by way of a three-cornered amalgamation or other similar transaction, pursuant to which Blue Fin will become a wholly-owned subsidiary of Royal Sapphire or otherwise combine its corporate existence with that of Blue Fin (the "**Proposed Transaction**").

Royal Sapphire is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia and its common shares (the "**RSL Shares**") are listed on the TSXV. As contemplated by the LOI, Royal Sapphire intends to apply to the TSXV to delist the Royal Sapphire shares from trading on the TSXV and thereafter to apply to the Canadian Stock Exchange (the "**CSE**") for the listing of the common shares of the consolidated entity (the "**CSE Listing**"). Royal Sapphire is incorporated under the BCBCA, and its principal business activity is the identification and evaluation of mineral resource assets. Royal Sapphire has no commercial operations and has no assets other than cash.

Blue Fin, a Delaware corporation, was incorporated on February 2, 2015 and conducts business in Washington State and Oregon. Blue Fin has offices in Hermosa Beach, California, Longview, Washington and Dallas, Oregon. Blue Fin provides ancillary services to the legal cannabis industry in Washington State and the hemp industry in Oregon and constructs large scale cannabis buildings to rent to Washington state licensed cannabis producers and processors. Blue Fin provides a platform for key ancillary services needed by the cannabis and hemp Industries to operate their businesses.

Washington State Project:

Blue Fin's current operation in Longview, Washington is a 48,000-sq. ft. facility fondly called "The Barn". This indoor grow facility is considered the largest facility for cannabis operations in Washington. It will be upgraded to house several 20L MRX CO2 X tractors to process organically grown flower into high premium cannabis oils, a bank of vape cartridge filling machines, capsule filling machines and a state of the art kitchen to make edibles on a large scale to service licensed cannabis producers. Other major ancillary services provided by Blue Fin in Washington, Oregon and California include equipment rental, branding, consumables, consulting, other automated systems related to packaging and manufacturing which reduce labor costs and digital technology.

Blue Fin has the option to acquire eight acres of Industrial land in an industrial park in Longview, Washington near The Barn. It is zoned to permit cannabis businesses. The eight acres will be used to expand operations by building four state of the art hybrid greenhouses of 65,000 sq. ft. each that can house at least four Tier 3 licensed cannabis producers.

Blue Fin has developed strong expertise in the cannabis regulatory environment and has significant ties to growers in the Washington, Oregon and California markets. Our market research in Washington State, Oregon and California, demonstrated that Blue Fin has limited competition in providing growers with commercial cultivation space and growing equipment. Royal Sapphire also intends to continue with Blue Fin's California expansion with a focus on the greater Los Angeles area. Key management and operations personnel are based in Los Angeles.

Following the completion of the Proposed Transaction, Royal Sapphire will be uniquely positioned to benefit from the financial opportunities in the commercial medical and recreational marijuana markets in the United States and Canada. Royal Sapphire will build on Blue Fin's real-estate and equipment leasing platform to provide a full range of services to licensed growers and dispensary operators in Canada and the United States – providing complete turnkey growing, processing and retail solutions including in advertising, accounting, product testing and grading, banking, insurance, packaging and horticulture research areas.

Prior to the completion of the Proposed Transaction, the Royal Sapphire will call a meeting of its shareholders for the purpose of approving, among other matters, (i) a consolidation of the issued and outstanding RSL Shares on the basis of one "new" RSL common share for every two "old" RSL Shares (the "**Consolidation**"), subject to adjustment in certain events; (ii) the delisting of Royal Sapphire from the TSXV; (iii) the election of nominees of Blue Fin to the board of directors of Royal Sapphire; (iv) the listing of Royal Sapphire on the CSE; (v) the conversion of all convertible debt securities of Blue Fin to convertible debt securities of Royal Sapphire; (vi) conversion of all Royal Sapphire options and other incentive securities to options of the resulting issuer; and (v) the change of Royal Sapphire's name to complement the business of Blue Fin; (v) shareholder approval of the Proposed Transaction including any aspects of the Proposed Transaction requiring disinterested shareholder approval.

Upon closing of the Proposed Transaction, the board of directors of Royal Sapphire will be reconstituted in a manner that complies with the requirements of the CSE and applicable securities laws. Royal Sapphire shall be entitled to all nominees on the reconstituted board, subject to the receipt of applicable regulatory approvals. The Company Intends to obtain approval from a majority of disinterested shareholders for the Plan of Arrangement.

The Proposed Transaction is subject to, among other things, completion of satisfactory due diligence, receipt of the requisite shareholder approvals, regulatory approval, delisting from the TSXV, the CSE, and additional conditions, as described in the LOI. The Company's securities are to be halted from trading until such time as it delists from the TSXV. Therefore, the Proposed Transaction will not be completed on the TSXV.

The Proposed Transaction may be considered a "related party transaction" as that term is defined under applicable securities laws due cross equity ownership; promoters; lending arrangements and management structures.

In connection with the Proposed Transaction, Blue Fin intends to undertake one or more equity financings (the “**BFH Financing**”). The Parties further agree that Royal Sapphire shall undertake an equity financing for gross proceeds of not less than $500,000 (the “**RSL Financing**”) to finance its transaction costs and the pay down of any debt of Royal Sapphire as may be required by the TSXV. Further information regarding such financing(s) will be available in due course. In connection with the Proposed Transaction, Royal Sapphire also intends to undertake a convertible debenture financing for gross proceeds of up to $35,000,000 consisting of 35,000 units at a price of $1000 per unit with an 8% interest rate convertible to Post-Conversion Royal Sapphire Shares at $1.35 per Share. (the “**RSL Debt Financing**”). The proceeds realized from the RSL Financing will be held in escrow until the closing of the Transaction and the listing of the resulting issuer's common shares on the CSE. The proceeds will then be available for general corporate and working capital purposes by the resulting issuer.

Nav Pannu, CEO of Royal Sapphire stated: “the merger with Royal Sapphire increases shareholder value for current Royal Sapphire shareholders. Blue Fin has expended over USD$7 million (CDN$8.7 million) to build out the largest cannabis related facility in Washington State with over 48,000 sq. ft. of indoor floor space**.** According to 502data.com, over USD$2 billion (approx. CDN$2.5 billion) of cannabis has been purchased by Washington State consumers to date with strong year to year growth.”

A Canadian Stock Exchange listing will allow Blue Fin access to capital to scale the business quickly to capture market share in a fragmented market. The opportunities in California are promising and after the merger, the resulting issuer intends to move forward with expansion plans into California in anticipation of recreational cannabis becoming legalized on January 1, 2018.

Further information

Further details about the Proposed Transaction and the resulting issuer will be provided in the disclosure document to be prepared and filed in respect of the transaction on Royal Sapphire's SEDAR profile and in a comprehensive news release when the parties enter into the definitive agreement and in the disclosure document to be prepared and filed in respect of that agreement.

Completion of the Proposed Transaction is subject to several conditions including exchange acceptance and disinterested shareholder approval. The Proposed Transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the disclosure document to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

The TSX has in no way passed upon the merits of the Proposed Transaction or the delisting of the Royal Sapphire Shares, and has neither approved nor disapproved the contents of this news release. *Approval of the CSE for the listing of the Royal Sapphire shares will be subject to, among other things, the resulting issuer satisfying the listing requirements of the CSE. There can be no assurance that the approval of the CSE regarding the listing of the Royal Sapphire shares will be obtained.*

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. 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 may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*
All information contained in this news release with respect to Blue Fin and Royal Sapphire was supplied by the parties, respectively, for inclusion herein, and Royal Sapphire and its directors and officers have relied on Blue Fin for any information concerning such party.

Forward-Looking Information

This news release contains forward-looking information based on current expectations. Statements about, among other things, the closing of the Proposed Transaction, expected terms of the Proposed Transaction, the number of securities of Royal Sapphire that may be issued in connection with the Proposed Transaction, the ownership ratio of the resulting issuer post-closing, the BFH Financing, the RSL Financing, the Consolidation, shareholder approval and the parties' ability to satisfy closing conditions and receive necessary approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Proposed Transaction will occur or that, if the Proposed Transaction does occur, it will be completed on the terms described above. Royal Sapphire and Blue Fin assume no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

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