

NEWS RELEASE

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For Immediate Release

January 13, 1997 TORONTO, ONTARIO: Further to our release dated October 31, 1996, Leisure Canada Inc. ("Leisure") is pleased to announce that it has signed a definitive merger agreement with a company associated with the principal of Wilton Properties Limited, ("Wilton") Mr. Walter H. Berukoff, for the acquisition of 100% of Wilton Properties Ltd. The final step to complete the acquisition will take place at Leisure's Annual General Meeting scheduled for mid February. The Directors of Leisure are unanimously recommending the acquisition to the shareholders as it will greatly advance Leisure towards its ultimate goal of becoming a full service travel Company as well as providing additional financial and management strength through Mr. Berukoff's operations.

The purchase price will involve the issuance of 13 million shares in Leisure and will see Mr. Walter H. Berukoff become the Chairman of Leisure. Wilton has been involved in Cuba for the last four years and has acquired the rights to a joint venture development agreement with the Cuban Company, Grupo Hotelero Gran Caribe S.A. ("Gran Caribe") to develop 11 four and five star hotels and resorts, representing 4200 rooms on four sites in Cuba.

The premier site will be the Jibacoa project, located 40 minutes east of Havana, mid-way between Havana and the resort area of Veradero. This site is located on the ocean and will include 5 hotels, a shopping centre, a resort ranch, 600 bungalows, a marina, clubhouse and a 27 and an 18 hole golf course.

The second largest site is Cayo Largo. This site is one of the most unique sites in all of Cuba and currently features five hotels that are owned and operated by Gran Caribe. Cayo Largo also has a new airport and runway sufficient to receive fully loaded jumbo jets. Leisure will be developing three resort hotels at the west end in Cayo Largo. This area is acknowledged as having the best beaches in Cuba.

The third project is Monte Barreto/Havana. The proposed Monte Barreto/Havana project will consist of 330 rooms, 120 service apartments, three swimming pools and related facilities. The property is located on the waterfront of Havana among a group of 5 other hotels, across the street from an area which is planned by the Havana City Planning Commission to include a world trade centre and to be the new commercial trade centre for Havana. The hotel components will be marketed to business travellers and tourists. The service apartments will be marketed primarily to business people planning extended visits to Havana of one month or more.

The fourth area is the Island of Youth which will be the last project to be started. It is intended to be developed for eco-tourism markets and principally European vacationers.

Leisure anticipates the development phase of the first three projects to begin in July of this year with the opening of its first three hotels in 1999. By developing these Cuban properties, Leisure will participate in the 13% average annual growth in Cuban tourism over the last eight years from Canada, Europe and South America. All of the properties will be developed taking into consideration American markets, building codes, insurance and other requirements to ensure that they are well positioned for future demand for Cuba resort accommodation from the U.S. market.

The Wilton acquisition not only includes the four major sites within Cuba, but also brings with it the strong management team in the hotel and development business. The team includes the Managing Director of Operations, Marcelo Montenegro, previously responsible for the operation of the first five Delta Hotels & Resort in Cuba. Mr. Montenegro commented "It is the most exciting project (he has) ever been involved in, not only due to the scope and size of the project, but also because of the changing trends within Cuba".

Wilton is also in the final stages of negotiating to takeover the management and further develop the Pelicano Hotel in Cayo Largo. The Pelicano is a 280 room four star Cuban resort. Wilton plans to upgrade it and create tour packages involving the Pelicano commencing April, 1997.

With this development, Leisure will be able to take advantage of moving its customers from its tour operations in Great Britain and South Africa to Cuba along with enhancing its programs currently operated through its 210 TDRG retail travel agency stores operating under the names of Goligers, TTI and International Tours.

To reflect the dramatic change within Leisure, the Company has filed notice with the Ontario Securities Commission today to change its financial year for accounting purposes from March 31st to December 31st. As a result of the change of year end to December 31, 1996, Leisure will not be required to conduct an audit for the 12 month period from March 31, 1996 to March 31, 1997. It will instead conduct an audit for the period from December 31, 1996 to December 31, 1997 at the end of its new financial year.

Global travel is currently projected by many trend analysts as a major growth industry, second only to the high tech electronics and communications sector over the next decade. Tourist arrivals in the Caribbean have increased over the past ten years at an average annual rate of 6.5% to 14,718,000 arrivals in 1995. In Cuba arrivals have increased from just over 300,000 in 1988 to more than 700,000 in 1995 representing an average annual growth of 13% or approximately three times the level of global tourism growth and twice the average Caribbean growth. From a near standing start several years ago, Cuba today is the fifth most popular tourist destination in the Caribbean, and is targeted to be the destination of choice by the year 2000.

Management of Leisure believes that the acquisition of Wilton's Cuban developments, combined with the vertical integration of Leisure's travel distribution systems will create significant revenue and growth potential over the next decade and will set Leisure apart from all other travel companies in North America.

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