

NEWS RELEASE

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LEISURE CANADA TO RAISE \$75 MILLION

For Immediate Release

March 13, 1997 TORONTO, ONTARIO : Leisure Canada Inc. is pleased to announce that Yorkton Securities Inc., Research Capital Corporation and Griffiths McBurney & Partners have agreed to underwrite a \$75,000,000 offering of special notes. The underwriters have the right to increase the offering by an additional \$25,000,000 until closing, which is anticipated to be on or about April 15, 1997, subject to normal closing conditions, including the receipt of all required regulatory approvals. The proceeds of the offering will be used by Leisure Canada to finance the development of hotels in Cuba and for working capital purposes.

Each \$1000 principal amount of special notes will be issued by way of installment receipts, with \$500 being payable on closing and the remaining \$500 being payable on or before April 15, 1998. Each special note will be exchanged for a \$1,000 principal amount 6% convertible unsecured subordinated debenture and 25 warrants to acquire common shares of Leisure Canada. Each debenture will be convertible at the option of the holder into common shares of Leisure Canada at a conversion price of \$6.00 per common share. The debentures will be redeemable by the Company at any time after 5 years at par plus accrued and unpaid interest, with the Company retaining the option of repaying the principal amount of the debentures in common shares based on the market price of the common shares at redemption. Each warrant will be exercisable to acquire one common share of Leisure Canada at an exercise price of \$7.00 for a period of eighteen months from closing.

An amount equal to 75% of the gross proceeds of the special notes will be escrowed and if receipts are not issued for a final prospectus of Leisure Canada which qualifies the issue of the debentures and warrants within 120 days of the date of issue of the special notes, the holders of the special notes will be entitled to require Leisure Canada to redeem on a pro rata basis that amount of the special notes then held by them with the funds held in escrow. To the extent that the special notes are not redeemed as specified above, the proceeds held in escrow will be paid to the Company, and the Company will issue for each \$1000 principal amount of special notes \$1,100 principal amount of debentures and 27.5 warrants to acquire common shares.

Leisure Canada's issued and outstanding share position is 18,411,942 shares. This is as a result of the issue of 13 million shares for the acquisition of Wilton Properties Inc. Senior management of the Company holds 11,451,394 shares.

Leisure Canada has its Head Office in Vancouver and is a hotel/travel company with significant investment opportunities in Cuba. The Company currently has interests in travel agencies, tour operations, publishing and other travel businesses and intends to combine these operations with its Cuban hotel properties to create an integrated vacation enterprise. It is intended that the travel agencies and the tour operations will channel Canadian, British and other vacationers to Leisure Canada's Cuban properties.

For further information, please contact :

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These securities of Leisure Canada Inc. have not been and will not be registered under the Securities Act of 1933 and may not be offered in the United States absent registration or an applicable exemption from registration. This press release is not for distribution in the United States or for dissemination to United States news services.