

Shares Issued & Outstanding:25,317,874
Trading: VSE: LCN
Cusip No.: 524911104

PRESS RELEASE

LEISURE CANADA REPORTS THIRD QUARTER RESULTS

For Immediate Release – December 3, 1999

Leisure Canada Inc. is pleased to announce its results for the third quarter of 1999. The third quarter has been a period of significant progress for Leisure Canada, both on the project and the corporate front. We are pleased with the significant progress that has been made this year in advancing our goal of becoming the leading developer of destination resorts in Cuba.

Project Developments

During the quarter the Company's Cuban joint venture with Grupo Hotelero Gran S.A. received approval and authorization from the Executive Committee of the Council of Ministers of the Republic of Cuba for the first hotel on the Jibacoa site in Cuba. This authorization represents the completion of all regulatory requirements to begin construction of the first hotel and is the culmination of three years effort. Preliminary construction activities are expected to begin in the early part of January, including site preparation, construction of site offices and staging areas, and infrastructure work.

As part of its commitment to develop the Le Meridien Village at the Company's Jibacoa site, Le Meridien Hotels and Resorts had previously indicated its desire to obtain an equity position in the hotel. Negotiations with Le Meridien have been ongoing for a large part of this year and are now substantially complete on the major terms and conditions for Le Meridien's participation. The final agreement is subject to the approval of the Boards of both Leisure Canada and Le Meridien, with such approval expected within the first quarter of 2000.

In the second quarter of this year we announced that Leisure Canada had signed a letter of intent with PGA Golf Management Ltd. (PGAGM), a subsidiary of the PGA of Great Britain and Ireland, to form a joint venture to establish professional golf in Cuba. Negotiations on the final agreement, which includes the provision of development, operational and management services to be provided by PGAGM, merchandising of the brand and media rights within Cuba, as well as the development of PGA academies for the coaching and training of both professional and amateur golfers in Cuba, have now been substantially completed. We anticipate that we will be able to announce the completion of the agreement in the near future.

The Company also continues to negotiate with several major, internationally recognized hotel operators for the first hotel at Jibacoa, as well as for the Monte Barreto project in Havana. Further announcements will be made as agreements are completed.

Corporate Developments

As reported in our second quarter report, Leisure Canada successfully completed a private placement for US\$4.0 million (approximately Cdn\$6.0 million) on August 6, 1999 by the issue of 2,500,000 special warrants at a price of US\$1.36 per special warrant, and US\$600,000 principal amount of special notes. Each special warrant entitles the holder to receive one common share of the Company and one-half of a common share purchase warrant for no additional cost. Each whole warrant is exercisable any time to July 31, 2000 for one additional common share at an exercise price of Cdn\$3.00. Each special note entitles the holder to a US\$1,000 principal amount of 7% convertible unsecured subordinated debenture of the Company maturing June 30, 2006 for no additional consideration. Each debenture is redeemable after June 30, 2001 and convertible into common shares at the option of the holder at any time to June 30, 2001 at a conversion price of US\$2.11 per share, from July 1, 2001 to June 30, 2004 at a conversion price of US\$2.52 per share and from July 1, 2004 to June 30, 2006 at a conversion price of US\$3.06 per share. The Company has the right to satisfy all principal and interest obligations under the debentures through the issue of common shares.

On November 25, 1999 the Company received final receipts from the Ontario Securities Commission and the British Columbia Securities Commission for its prospectus qualifying the common shares, warrants and debentures to be issued on the exercise of the special warrants and special notes, and accordingly, all of the special warrants and special notes will be exercised no later than December 2, 1999.

Effective with the opening of trading on November 26, 1999 the common shares of Leisure Canada began trading on the Vancouver Stock Exchange, under the trading symbol LCN, and were delisted from the Canadian Dealing Network. As you are aware, on April 15, 1999 the Toronto, Montreal, Alberta and Vancouver Stock Exchanges announced a reorganization of such stock exchanges. On November 26, 1999 the member firms of the VSE and the ASE approved the merger of the two exchanges to form the new Canadian Venture Exchange (CDNX), which began operations on November 29, 1999. All securities previously trading on the VSE and ASE were automatically transferred to the CDNX on that day.

On November 22, 1999, Mr. Bradley Bardua, Chief Financial Officer, was appointed Corporate Secretary for Leisure Canada Inc.

For further information please contact:

Bradley Bardua, CA
CFO & Corporate Secretary
Toll Free: (888) 600-8687
Or visit www.leisurecanada.com

Ryan Mulhern
Investor Relations
Telephone: (604) 990-9599