



LEISURE CANADA INC.

Shares issued & Outstanding: 33,884,007
Trading Symbol: TSX Venture Exchange: LCN
Cusip No.:52491104

PRESS RELEASE

LEISURE CANADA INC. ANNOUNCES C\$7,500,000 PRIVATE PLACEMENT

For Immediate Release June 21, 2002

Leisure Canada Inc., a leading developer of luxury resorts in Cuba, is pleased to announce it has reached an agreement with International Capital Inc. ("ICI") for the private placement of 10,000,000 units of Leisure Canada at a price of US\$0.4889 (approximately C\$0.75) per unit for aggregate proceeds of US\$4,889,497 (approximately C\$7,500,000). Each unit will consist of one common share and one non-transferable share purchase warrant where each warrant entitles the holder to purchase an additional common share for a period of three years at a price of US\$0.6519 (approximately C\$1.00).

The proceeds of the proposed private placement will be allocated primarily to Leisure Canada's accelerated development plan for its *Monte Barreto* project, a five-star Havana waterfront hotel development. The *Monte Barreto* project is located in an area known as the Miramar District and has the advantage of being the last waterfront hotel to be constructed in the area. The Miramar District is at the forefront of Havana's city expansion plan. Leisure Canada is positioned to take advantage of the significant, modern infrastructure currently in place. Further details concerning the *Monte Barreto* project will be forthcoming from the company.

ICI is owned by a trust. The beneficiaries of which are Walter H. Berukoff, the Chairman, Chief Executive Officer and a director of Leisure Canada, or persons related to Mr. Berukoff. ICI currently owns 7,705,431 common shares in the capital of Leisure Canada, representing approximately 22.74% of Leisure Canada's currently issued and outstanding common shares. After the private placement, ICI will own 17,705,431 common shares, or approximately 40.35% of Leisure Canada's then issued and outstanding common shares. Assuming that ICI exercises all of its warrants, it would own 27,705,431 common shares, or approximately 51.42% of Leisure Canada's then issued and outstanding common shares (assuming that no additional shares are issued).

Peter MacLeod, Leisure Canada's President and Chief Operating Officer, states "Under Walter Berukoff's strong leadership, Leisure Canada has firmly established itself in Cuba after many years of hard work. The joint venture company now owns all of the real estate for the Monte

Barreto project. Mr. Berukoff's significant injection of capital will enable Leisure Canada to quickly advance the development of Leisure Canada's five-star *Monte Barreto* hotel. The proposed private placement demonstrates the firm commitment of both Leisure Canada and Mr. Berukoff to the full development of Leisure Canada's four- and five-star hotel development projects in Cuba."

Under applicable securities laws, the proposed private placement is a related party transaction and is therefore subject to the approval of an independent committee of the Board of Directors, approval of the Board of Directors, regulatory approval and, if required, shareholder approval.

For more information, please contact:

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.