



## LEISURE CANADA INC.

Shares Issued & Outstanding: 39,087,508  
Trading: TSX Venture Exchange: LCN  
Cusip No.:524911 10 4

### PRESS RELEASE

#### **LEISURE CANADA INC. CLOSES C\$3,850,000 PRIVATE PLACEMENT**

For Immediate Release November 6, 2002

Leisure Canada Inc., a leading developer of luxury resorts in Cuba, is pleased to announce it has completed a private placement of 5,113,520 units at a price of US\$0.4889 (approximately C\$0.75 per unit) for aggregate gross proceeds of US\$2,500,000 (approximately C\$3,850,000). Each unit will consist of one common share and one non-transferable share purchase warrant, each warrant entitling 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 securities are subject to a four-month hold period expiring on March 5, 2003.

On June 21, 2002, Leisure Canada announced a private placement with International Capital Inc. ("ICI") for aggregate proceeds of US\$4,889,497. In the interest of reducing dilution to shareholders of the company in what the Board of Directors and management of Leisure Canada believe to be a time of depressed market conditions, the amount of the private placement was capped at US\$2,500,000. This financing, combined with Leisure Canada's existing strong balance sheet, assures the support required to continue Leisure Canada's accelerated development plans for the *Monte Barreto* project, Leisure Canada's primary five-star waterfront hotel in Havana.

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.

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. Prior to the completion of the private placement, ICI owned 7,705,431 common shares in the capital of Leisure Canada, representing approximately 22.7% of the Leisure Canada's then issued and outstanding common shares. As a result of the private placement, ICI acquired 5,113,520 common shares and now owns 12,818,951 common shares in the capital of Leisure Canada, representing approximately 32.8% of Leisure Canada's currently issued and outstanding

Leisure Canada Inc.

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common shares. Assuming that ICI exercises all of its warrants, it would own 17,932,471 common shares, or approximately 40.6% 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 "Leisure Canada's 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 continue with the advancement of the development of Leisure Canada's five-star *Monte Barreto* hotel. The *Monte Barreto* project is currently in the advanced stages of design and development with a view to breaking ground and commencing construction in 2003. In addition, Leisure Canada is also focusing on the development of its *Cayo Largo* property in conjunction with exciting new partners. Further announcements regarding the *Cayo Largo* project will be upcoming in the near future."

Under applicable securities laws, the private placement is a related party transaction. The transaction was reviewed and approved by an independent committee of the Board of Directors and subsequently approved by the Board of Directors. Shareholder approval for this transaction was obtained from a majority of minority shareholders, excluding shares owned by ICI, Walter H. Berukoff and their respective associates and affiliates.

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.*