



**MagiCorp
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MAGICORP ENTERTAINMENT INC.

FOR IMMEDIATE RELEASE

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VIRGIN and MagiCorp Announce New Media and Investment Relationship

TORONTO, July 11th, 2001 – MagiCorp Entertainment Inc. (MEI:CDNX)

MagiCorp Entertainment Inc. (“MagiCorp”) is pleased to announce that it has entered into a Letter of Intent with Sir Richard Branson’s UK-based Virgin Group to develop a new digital media content and entertainment business, with the first operation to be located at the Printworks, a major downtown retail and entertainment development in Manchester, England. MagiCorp has also agreed to develop the second location at “Metropolis”, the new entertainment complex being developed in downtown Toronto.

As part of the deal, Virgin has agreed to invest \$6,500,000 in securities of MagiCorp. The agreement is set to close July 31st, 2001, subject to regulatory and board approvals.

“Lucid” will be the name of the new media and entertainment business, which represents MagiCorp’s diversification into the media content aspect of its location-based entertainment operations. Lucid will incorporate break-through technology, featuring cinema-size screens loaded with proprietary digital media content, including sports, music and features of localized interest. Lucid will also showcase big screen, on-line Internet gameplay, using Lucid’s virtual private network, combined with a world class restaurant, music bars and a selection of games and activities, all designed to appeal to the 18 to 28 age range.

For further information, please contact Michael Wilkings, Chief Executive Officer or Tita Gonzalez, Manager, Investor Relations.

MAGICORP ENTERTAINMENT INC.

Per: Michael Wilkings

MagiCorp Entertainment Inc. is a leading developer and operator of branded and customised leisure, entertainment and hospitality venues internationally. Corporate information is available by request to Tita Gonzalez at (+1) 416 921-2223, or on the Internet at www.magicorpgroup.com, or by mail to:

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

