

Berukoff quits mining for Cuba hotel business

Leisure Canada plans huge resort development

David Jordan

Vancouver entrepreneur Walter Berukoff has walked away from 14 years in the mining industry to devote himself full-time to developing a resort in Cuba.

Berukoff resigned last week as president and CEO of both Miramar Mining and its 55-per-cent-owned subsidiary Northern Orion Explorations. On March 9 he was named president and CEO of Leisure Canada, which has plans to develop a 5.5-square-kilometre resort in Cuba.

Berukoff began developing plans for the Cuba resort five years ago through his private company, Wilton Properties. That company went public in 1997 through a reverse takeover of Leisure Canada, which trades on the Canadian Dealing Network.

"The mining side is going to be flat for a while," said Berukoff. "The price of commodities isn't going to change. It was a good time to move on to something that I found even more exciting."

Berukoff sees the potential for explosive growth in Cuban resort properties. Although Leisure Canada's business plan does not count on the U.S. lifting its trade embargo, any easing of trade restrictions would send the price of hotel rooms and resort properties skyrocketing, he said.

Leisure Canada's plans for Cuba include six hotels, a marina and two 18-hole golf courses. It expects to begin construction of phase one in September 1999. The company signed an agreement with the Meridien Hotel group on March 2 that will lend the international hotel operator's brand name and marketing clout to the first three of the resort's hotels, totaling 600 rooms.

The self-styled entrepreneur got

into mining 14 years ago when, as the major shareholder of Miramar, he decided he could do a better job of running the company and voted himself in as top executive. The company's only mining asset is a non-operating copper and nickel mine in the Northwest Territories, but it also has a cash reserve of \$92 million.

Berukoff remains the majority shareholder and chair of the Miramar board, and is satisfied he is leaving the company in good hands. Not only is he confident in the management team he has installed, but he takes credit for timing the equity markets right.

"As an entrepreneur you realize that businesses go through cycles and you should always have something ready for a rainy day," he said. "For us, we're ready for a hurricane."

One Vancouver analyst speculated that as a shell company rich in cash, Miramar is a prime takeover candidate for a major with plenty of operating assets but little liquidity.

Berukoff on the other hand thinks Miramar will

be doing the acquiring.

"With the cheapness of resource equities, there is a time to acquire, and that time is very close now, which will probably change the shape of Miramar," he said. "With its strong balance sheet, it can probably dictate the terms it wants."

He has no regrets about leaving the mining industry behind. Trained in economics, not engineering, Berukoff is happy to follow opportunities.

"My basic premise is that I'm an entrepreneur," he said. "I haven't always been right, but I've been right more times than wrong. I'm convinced that you don't have to be too up on the curve to understand that Cuba's a real bursting economy right now." ♦

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