

Leisure Canada signs deal to build 3 resorts in Cuba

Project with French Meridien group expected to cost \$200-million

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Leisure Canada Inc., a Vancouver company headed by property developer Walter Berukoff, has signed a preliminary deal with the Meridien Hotels & Resorts group to build three five-star hotels in Cuba.

Mr. Berukoff said the destination resort project, which is expected to cost about \$200-million (U.S.), will be located in Jibacoa, near Havana and one of four properties Leisure Canada hopes to develop in equal partnership with the Cuban government.

Funding for the project is expected to be raised in Europe, said Mr. Berukoff, who has mining interests in Cuba that are held by his Vancouver companies Mirimar Mining Corp. and Northern Orion Explorations Ltd.

Based in France, the Meridien chain is a subsidiary of **Granada**

Group PLC.

Under agreements signed in 1996, the Cuban government has the right to 50 per cent of the profit and revenue from any resorts built by Leisure Canada and any of its partners in Jibacoa and the other three properties.

However, Mr. Berukoff said none of the four properties is subject to the U.S. Helms-Burton law, which punishes foreign companies investing in Cuban properties deemed to be confiscated from companies in the United States.

Yesterday, Leisure Canada said it has signed a letter of intent with Meridien to build three five-star hotels, located around two 18-hole golf courses, and restaurants and other entertainment facilities.

Leisure Canada, whose shares trade over the counter on the Canadian Dealing Network, said it hopes the hotels will be open for business

within 30 months after a final agreement is signed next month.

If the project goes ahead, it will represent the largest investment by any Canadian company since Toronto-based Sherritt International Corp. agreed two years ago to develop nickel and other resource projects in partnership with the Cuban government.

The hotels will be managed by Meridien, which Mr. Berukoff said has expressed a strong interest in taking an equity position in Leisure Canada. Mr. Berukoff said he is in negotiations with other hotel chains about possible resort ventures in Cuba. He would not say how much Meridien plans to invest in his company or the resort project.

Funding for the hotels is expected to come from a combination of debt and equity financing provided by European institutions.