

# Anthony Julien on the unique manganese and capital structure of Cancana

October 7, 2015 – Tracy Weslosky, Publisher of **InvestorIntel** interviews Anthony Julien, President and CEO of Cancana Resources Corp. (TSXV: CNY) a company focused on exploring and developing the BMC manganese project in Brazil, on their joint venture (JV) partner Ferrometals. Starting with their relationship with JV partner Ferrometals, a special purpose investment vehicle for the Sentient Group, Anthony describes a new investment model that private equity is following. Describing Cancana's unique style of high grade manganese called hydrothermal that may be used for both steel and fertilizer, they discuss both the exploration and operational timeline moving forward for Cancana.

**Tracy Weslosky:** Cancana Resources is extremely fascinating to me because you're actually from the Sentient Group and now you're the CEO of Cancana. Is that correct?

**Anthony Julien:** That's correct.

**Tracy Weslosky:** Can you explain to our audience the joint venture deal with Cancana and Sentient Group and how that's set up?

**Anthony Julien:** So it's sort of the new investment model that private equity is following. Cancana brought the deal to the Sentient Group and it was structured really nicely. Essentially because there wasn't enough funds we had to put in the majority of the funds, which resulted in me becoming the CEO of Cancana. Under that operational model then Cancana is the operator and controls the investment and the major shareholder is private equity.

**Tracy Weslosky:** Christopher Ecclestone, our global analyst from London who loves this story. He says you have some of the best manganese in the world and specifically in Brazil. Can you tell us a little bit about your manganese?

**Anthony Julien:** Sure. In Brazil all of the manganese deposits in the working mines are what's called sedimentary manganese, which is a pretty typical style and it is the majority of manganese mines around the world. We've got a unique style of manganese called hydrothermal. The key difference between the two is that hydrothermal will be the same (inaudible) or grade at depth as it is at surface where sedimentary runs out of that grade. Potentially if the manganese process grows you can have deeper mines than you could if you had sedimentary because sedimentary will run out at some point.

**Tracy Weslosky:** Of course, the actual property that you have, that you're focused on, you picked up two former producing properties. Is that correct?

**Anthony Julien:** That's correct. Two that were in production and Cancana also had tenements that were adjacent. That's what attracted us about the deal because it was a continuous tenement package. What really surprised us when we were doing our due diligence, manganese is used in steel. We had this mindset that, oh, we'll do this for steel, but one of our customers was selling the majority of their products to the fertilizer business in Brazil.

**Tracy Weslosky:** Well, of course, to be a fertilizer you have to have a higher grade.

**Anthony Julien:** Yes. Yes. Usually people have mines running at about 38% to 44%. This mine was running at 50% plus and the fertilizer guys need a minimum of 48%, but it's not just about the grade. They also need none of the nasty's in there, no lead, no cadmium, you know, all of those things, phosphorous. The hydrothermal style has very low elements in it, which

makes is suitable for food products.

**Tracy Weslosky:** Of course, you're taking advantage right now of the market that loves producers. I understand that you'll actually be able to be doing some...[click here to access the complete interview](#)

Disclaimer: Cancana Resources Corp. is an advertorial member of InvestorIntel.