

Bitgold to go public on the tsx essay



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Gold and bitcoin start-up BitGold announced it will public, backed by Sprott Inc.

BitGold, a gold and bitcoin start-up based in Toronto, is going public after a reverse merger with Loma Vista Capital, a mineral exploration company.

BitGold informed that it will keep its name but all trading on the Canadian National Stock Exchange will be halted, as it will migrate to the Toronto Stock Exchange (TSX).

The company revealed that as a part of the deal it will raise C\$6 million in subscription receipt private placement. It will also spend almost C\$5 million on warrants which will be used later.

The pending C\$6 million subscription receipt sale entails commitments from Canaccord Genuity Corp, Dundee Securities and GMP Securities and Clarus Securities.

The most notable information is that the lead order on the round was concluded by Sprott Inc. and the firm's individual directors.

Sprott Inc. is a \$7 billion asset management company which was formerly managed by Eric Sprott, a renowned portfolio manager.

Roy Sebag, CEO of the company, indicated in an interview that his main motivation to take the unlaunched company public was to gather trust from future customers.

Sebag was the CEO and founder of Loma Vista Capital, and Loma Vista Capital went public in 2013.

Sebag answered why the company went public, “ Why go public? In our case going public is like a quasi-bank license.

We have corporate governance standards and an independent auditor, PriceWaterHouseCoopers, auditing or reviewing our financials four times a year under IFRS.”

This news came after the company’s \$3. 5 million Series A round was finalized back in December.

Soros Brothers Investments, PowerOne Capital, Sandstorm Gold and PortVesta Holdings were some of the participants of the round.

Even though the firm is public, Sebag mentioned that most of the shares are held by the BitGold’s principal investors, himself and Josh Crumb, co-founder of BitGold.

According to Sebag, “ We’re a public-private company. We own 60% of the company Josh and myself, and going public is more of a regulatory framework that will allow the company to establish more trust with its customers.”

He was the founder Essentia Equity and served as the firm’s portfolio manager for some time. Josh Crumb used to be a senior metals strategist at Goldman Sachs.

BitGold is still open but it was hinted that the new round of secured commitments will lead to a much larger follow-up to the Series A, which summed up C\$11 million in the end.

The founders do not consider BitGold like the traditional bitcoin companies. They have positioned the start-up as one that uses block chain to tap into various efficiencies.

Sebag stressed that they are committed financially to the company, and in many other ways. He mentioned that neither he nor Crumbs take salaries. They genuinely believe in the idea.

BitGold will improve on the existing gold and bitcoin offerings. Sebag once said, “ You can drop in a bitcoin and it turns into physical gold, and you can redeem the physical gold to bitcoin.

We’re fully compatible with block chains like bitcoin and ripple, but the platform itself, a lot of it is built around security.”