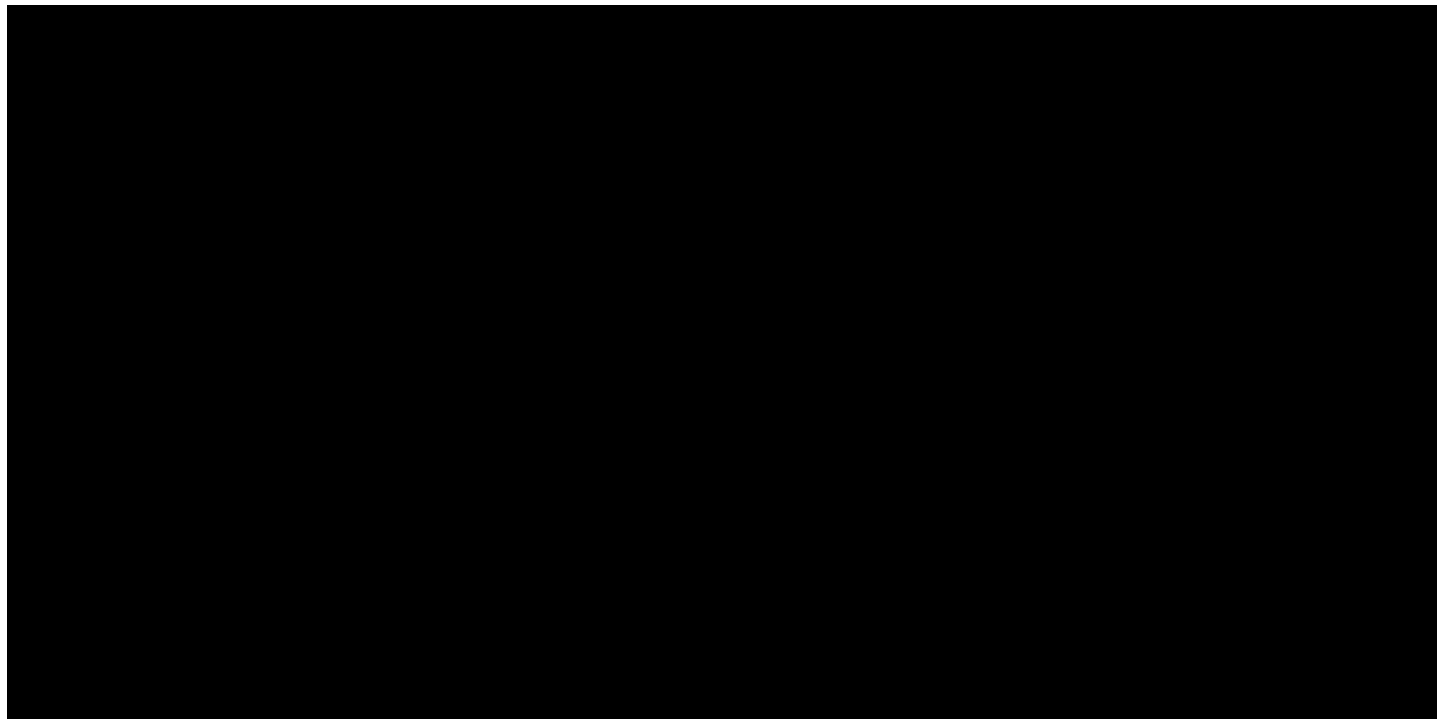


Coinsquare Crypto Exchange Eyes \$120 Million IPO in Canada

By [Natalie Obiko Pearson](#)

24 January 2018, 11:08 GMT-5

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- Plans to add Ripple to currencies and expand to U.S. and U.K.
 - Seeks listing on Toronto Exchange, not via reverse takeover
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[Coinsquare](#), one of Canada's biggest digital currency exchanges, is targeting about C\$150 million (\$120 million) in an initial public offering in September to help finance an overseas expansion.

"The United States and the U.K. market are next," Coinsquare Chief Executive Officer Cole Diamond said in an interview Tuesday, adding he expects to be operating in those markets in the second quarter. "We believe that we will be a strong competitor to Coinbase and other exchanges in the U.S. by the end of the year."

Coinsquare plans to sell shares through an IPO on the main Toronto Stock Exchange, in contrast to several crypto companies which have used a shortcut to list on Canada's junior TSX Venture Exchange in recent months via reverse takeovers. RTOs, as they're known, don't require a full securities commission review or the weighty prospectuses that are the hallmark of IPOs. The easy listing rules, however, have also [opened the door](#) to stock promotion, murky disclosures and spectacular volatility.

Asked if Coinsquare was considering the RTO route, which is faster and cheaper than an IPO, Diamond said, "Hell no."

"We believe that there are a tremendous amount of low-quality deals going public," said Diamond, who was speaking at a Canaccord blockchain conference in Vancouver.

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Crypto exchanges have earned a bad reputation, and the best way for Coinsquare to convince investors that it's transparent and trustworthy is to go through an IPO with its stricter disclosure requirements, he said.

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"We're racing, but racing to do it right," he said. "We're going to take the old-school route as an IPO to the Toronto Stock Exchange."

The Toronto-based crypto exchange also plans to offer Ripple, one of 2017's best-performing cryptocurrencies, starting in February on its platform and "will be launching one digital currency per month for the foreseeable future," Diamond said. At present, it supports trading of Bitcoin, Bitcoin Cash, Ethereum, Litecoin, Dogecoin, Dash and Squarecoin.

Competition among crypto exchanges is surging amid a rush of investors into the market, drawn by the dizzying gains of digital currencies like Bitcoin. Yet the sector also has been marred by disruptions, delays and hacks, including Mt. Gox, which filed for bankruptcy in 2014 after losing hundreds of thousands of its clients' Bitcoins.

Coinsquare stores 98 percent of its assets in so-called cold storage -- offline servers to prevent theft, Diamond said.

Separately, the company is raising C\$50 million in a financing led by Canaccord Genuity Group Inc. and Cormark Securities Inc. in a deal that's set to close on Feb. 7. The exchange has 100,000 verified users, which it expects to surge fivefold by the end of the year.