

The Board Unanimously Recommends That Kobex Shareholders: Refrain From Tendering Any Shares of Kobex to Kingsway's "Mini-tender" Offer; Vote Only the White Form of Proxy Against, and Withhold Their Votes From, All of the Kingsway Resolutions

VANCOUVER, BC--(Marketwired - October 21, 2015) - [Kobex Capital Corp.](#) (TSX VENTURE: KXM) (OTCQB: KBXMF) (the "Company" or "Kobex") today announced that its board of directors (the "Board") has reiterated that shareholders of the Company (the "Kobex Shareholders") should take no action in response to the unsolicited "mini-tender" offer made by Kingsway Financial Services Inc. ("Kingsway") due to the following serious concerns:

- the mini-tender is only available for 0.13% of Kobex's 45,481,387 shares -- approximately 60,000 shares are all that Kingsway are offering to purchase (for an aggregate purchase price of less than \$40,000);
- the mini-tender is a "bait and switch" tactic intended to secure control of Kobex without paying proper consideration; Kingsway requires you to tender proxies for all your shares but will pay for only a minimal number of the shares;
- Kingsway is offering less than the current net asset value of Kobex;
- Kingsway's tactics show a lack of respect for Kobex shareholders as they are not treating all shareholders equally;
- Kingsway is trying to "buy" votes by misleading Kobex Shareholders and getting your proxy without actually paying for it;
- the mini-tender is calculated to cause confusion in the voting for the Special Meeting. Kingsway controls the timing of take-up and the potential withdrawal of the offer. Although on take-up, proration or withdrawal proxies may be treated as revoked, there are serious practical obstacles to Kobex Shareholders' ability to revoke their shares in advance of the Special Meeting; and
- the mini-tender is not a take-over bid for Canadian securities law purposes and is not subject to the protections granted by such laws.

This "Mini-Tender" offer is another coercive and opportunistic tactic that illustrates that Kingsway's only priority is control over your investment in Kobex without paying proper consideration or a premium to all shareholders.

Kobex Shareholders are cautioned that Kingsway's tender offer, as well as its letter to shareholders, and dissident proxy circular prepared in connection with the upcoming special meeting of Kobex Shareholders scheduled to take place on November 17, 2015 (the "Special Meeting"), each filed on October 13, 2015, contain a number of incomplete and misleading statements and should be viewed with significant caution and skepticism.

The Board unanimously recommends that Kobex Shareholders reject Kingsway's unsolicited "mini-tender" offer and refrain from tendering their shares in response to such offer. Mini-tender offers are offers designed to purchase only a small percentage of the outstanding shares of a public company, and in any event less than 20% of such outstanding shares, in order to avoid triggering disclosure and procedural requirements applicable to formal take-over bids under Canadian securities legislation. As a result of their lack of procedural protections for tendering shareholders, mini-tender offers have a deservedly poor reputation in the market, and when used in the context of a proxy contest are a means of coercing the outcome of such contest.

In order to deposit shares to its mini-tender, Kingsway requires Kobex Shareholders to first deliver a completed proxy voting, or otherwise provide evidence to Kingsway that such shareholders have voted, in favour of the election of Kingsway's director nominees to the Board and the other resolutions proposed by Kingsway at the Special Meeting, in respect of all their deposited shares. This requirement applies regardless of the number of deposited shares actually taken up and paid for by Kingsway under the offer. Even Kobex Shareholders who tender all of their Kobex Shares and surrender their votes to Kingsway can reasonably expect only a negligible number of shares being purchased under the offer, if any at all. This is a "bait and switch" tactic intended to secure control of Kobex without paying proper consideration. In addition, the offer is being made to some, not all, shareholders -- as a result of the requirement that tendering shareholders provide such proxy or evidence, the offer is made only to shareholders who held shares on October 1, 2015, the record date for the Special Meeting.

Indeed, Kingsway has not made any bona fide offer to Kobex Shareholders. The "offer" can be withdrawn, varied or extended by Kingsway for any reason and at any time. Kingsway's proposal is simply a free option for Kingsway to acquire shares that are deposited. Even if Kingsway elects to purchase shares, the Board notes that given Kingsway's current publicly disclosed ownership of Kobex (approximately 14.87%) and the restrictions under Kobex's shareholder rights plan adopted on October 8, 2015, at present, the Kingsway mini-tender offer would only be available for a total of approximately 0.13% of the issued and outstanding shares of Kobex (being approximately 60,000 Kobex shares out of a total of 45,481,387 Kobex shares outstanding, at an aggregate cost of less than approximately \$40,000 to Kingsway), subject to a pro rata take-up. Kobex Shareholders should not allow themselves to be fooled by Kingsway -- this tactic shows Kingsway's lack of respect for Kobex Shareholders.

While Kingsway states that in the event it withdraws its mini-tender it will treat as revoked any proxies tendered by Kobex Shareholders in favour of the Kingsway resolutions, if the deadline for the mini-tender is extended by Kingsway (which can be done in Kingsway's sole discretion), or if Kingsway does not take-up all of the shares deposited by Kobex Shareholders as a result of pro-rata, it is unclear whether Kobex Shareholders will have sufficient time or even an adequate opportunity to ensure any such proxies are revoked. Accordingly, the Kobex Board has serious concerns that in these and other scenarios it will be difficult, if not impossible, for Kobex Shareholders to be able to revoke and revoke their Kobex Shares in advance of the Special Meeting. Kobex Shareholders should be under no illusions - this mini-tender has been coercively structured, under the guise of a "premium offer", in order to gain additional votes in favour of Kingsway's dissident resolutions.

Kobex Shareholders should not potentially hand over control of their company by giving their proxies in favour of the Kingsway resolutions in exchange for the potential sale of a "very small number" of Kobex shares under the "mini-tender" offer.

Special Meeting

The Special Meeting of Kobex Shareholders is scheduled for noon (Toronto time) on Tuesday, November 17, 2015 at the offices of Stikeman Elliott LLP, 199 Bay Street, 5300 Commerce Court West, Toronto, Ontario, M5L 1B9.

Voting Instructions and "Mini-Tender" Offer Recommendation

Your vote is extremely important. The Board unanimously recommends that Kobex Shareholders REJECT changes to the current Board and vote only the WHITE form of proxy AGAINST, and WITHHOLD their votes from, all of the Kingsway resolutions, as applicable, well in advance of the proxy cut-off at noon (Toronto Time) on Friday, November 13, 2015 pursuant to the instructions set out in the Management Information Circular of the Company.

The Board also unanimously recommends that Kobex Shareholders should take no action in response to the unsolicited "mini-tender" offer made by Kingsway, and should disregard the blue proxy and any other materials received from Kingsway or its agent, Kingsdale Shareholder Services.

For more information, Kobex Shareholders are encouraged to access the Letter to Kobex Shareholders and the Management Information Circular on the Company's website at www.kobex-capital.com or under the Company's profile at www.sedar.com.

Kobex Shareholders who have any questions, require information in respect of this process, or require any assistance in executing and submitting their WHITE form of proxy or voting instruction form can contact D.F. King at:

North American Toll Free Number: 1-800-301-3998
Outside North America, Banks, Brokers and Collect Calls: 1-201-806-7301
Email: inquiries@dfking.com
North American Toll Free Facsimile: 1-888-509-5907
Facsimile: 1-647-351-3176

Forward-Looking Statements

Certain statements contained in this news release may constitute forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any anticipated results, performance or achievements expressed or implied by such forward-looking statements. The use of any of the words "anticipate", "continue", "expect", "may", "will", "would", "project", "should", "believe", "plan" and "intends" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements may relate to Kobex's management's expectations, estimates and analysis with respect to: its business strategy; the composition of its board of directors; and the feasibility, value and impact of Kingsway's proposals and strategies for Kobex and the Board's belief that these proposals and strategies are not in the best interests of Kobex or its shareholders, and will destroy shareholder value.

Forward-looking statements are based on certain factors and assumptions regarding, among other things, market acceptance of Kobex's corporate strategy and corporate endeavours and the success of Kobex's announced corporate strategy and future transactions. There can be no assurance that these assumptions will prove to be correct. Readers are cautioned that forward-looking statements included in this news release are not guarantees of future performance, and are also cautioned not to place undue reliance on forward-looking statements which involve known and unknown material risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any anticipated results, performance or achievements expressed or implied in such forward-looking statements. These statements speak only as of the date of this news release. Kobex undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.

All of the forward-looking statements made in this news release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the anticipated results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Kobex.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Contact

For further information, please contact:

[Kobex Capital Corp.](#)

Philip du Toit

President and CEO

Tel: 647-818-2920