



February 19, 2025

Trading Symbol: CSE - AFX  
FSE - O5K

*/Not for distribution to U.S. news wire services or for dissemination in the United States/*

## **ARCTIC FOX AND MAKERSOUL SIGN NON-BINDING LOI FOR PROPOSED RTO TRANSACTION**

VANCOUVER, BRITISH COLUMBIA (February 19, 2025) – Arctic Fox Lithium Corp. (CSE: AFX / FSE: O5K) (the “**Company**”) Arctic Fox Lithium Corp. (“**Arctic Fox**” or, the “**Company**”) is pleased to announce that it has entered into a non-binding letter of intent (the “**LOI**”) with MakerSoul (Hong Kong) Limited (“**MakerSoul**”) dated February 18, 2025 to effect a transaction that will result in the reverse take-over (the “**RTO**”) of Arctic Fox by MakerSoul (the “**Proposed Transaction**”) to ultimately form the resulting issuer (the “**Resulting Issuer**”). If completed, the Proposed Transaction will constitute a “fundamental change” pursuant to the policies of the Canadian Securities Exchange (the “**Exchange**”) and is expected to require the approval of Arctic Fox shareholders at a meeting of shareholders (the “**Shareholder Meeting**”). The Proposed Transaction is to be arm’s length and will be subject to the necessary regulatory approvals, including final acceptance from the Exchange. Following completion of the Proposed Transaction, the Resulting Issuer will carry on the business currently carried on by MakerSoul (the “**Business**”).

Pursuant to the terms of the LOI, it is intended that the Proposed Transaction be effected by way of a three-cornered amalgamation, share exchange, plan of arrangement or such other transaction structure as will result in MakerSoul becoming a wholly owned subsidiary of Arctic Fox or otherwise combining its corporate existence with that of Arctic Fox. The final structure of the Proposed Transaction is subject to receipt by the parties of tax, corporate, and securities law advice and will be agreed to pursuant to definitive agreement in respect of the Proposed Transaction (the “**Definitive Agreement**”).

There are currently 70,467,381 common shares of Arctic Fox (“**Arctic Fox Shares**”) issued and outstanding. Pursuant to the terms of the LOI, following the Consolidation (as defined herein) the resulting holders of all issued and outstanding shares of MakerSoul (“**MakerSoul Shares**”) shall hold approximately 90.00% of the issued and outstanding common shares of the Resulting Issuer (the “**Exchange Ratio**”), subject to adjustment in certain circumstances. In connection with the Proposed Transaction, Arctic Fox will, subject to the prior approval of the board of directors of Arctic Fox, implement a consolidation of the Arctic Fox Shares on a 10:1 basis (the “**Consolidation**”), such that following the Consolidation, there will be 7,046,731 Arctic Fox Shares outstanding.

It is anticipated that all securities convertible, exercisable or exchangeable for MakerSoul Shares will be converted or exchanged (or otherwise become convertible or exercisable in accordance with their terms) into similar securities of the Resulting Issuer on substantially similar terms and conditions based on the Exchange Ratio. In connection with the Proposed Transaction, it is anticipated that all outstanding stock options and common share purchase warrants of Arctic Fox will remain in effect on

substantially the same terms, subject to the Consolidation and customary anti-dilution adjustments in accordance with the terms thereof.

In connection with the Proposed Transaction, subject to receipt of applicable approvals, MakerSoul expects to effect a name change which will be disclosed at a later date. The composition of the board of directors of the Resulting Issuer, as well as the retention of any officers or directors, will be negotiated between the parties in good faith. Upon entering into the Definitive Agreement, Arctic Fox will issue a subsequent news release containing the details of the Definitive Agreement. No finder's fee of any kind shall be paid as a direct result of, or in association with, the Proposed Transaction. It is expected that approximately CAD\$240,000 of debt of Arctic Fox will be settled into Arctic Fox Shares or shares of the Resulting Issuer immediately prior to or in connection with the closing of the Proposed Transaction.

Completion of the Proposed Transaction is subject to a number of conditions precedent, including but not limited to, the parties entering into a Definitive Agreement, as well as receipt of all required shareholder, regulatory, and other approvals. There can be no assurance that the Proposed Transaction will be completed as proposed or at all. Should either party terminate the Proposed Transaction following the execution of the Definitive Agreement, a break-fee equal to \$150,000 will be payable to the other party, subject to certain conditions, that are expected to be outlined in the Definitive Agreement. There will also be a commitment fee payable by MakerSoul to Arctic Fox, which will be held in escrow and released to Arctic Fox in the event that certain circumstances arise that prevent the Proposed Transaction from closing, as will be more fully provided for in the Definitive Agreement.

None of the Arctic Fox Shares to be issued in connection with the Proposed Transaction have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws, and may not be offered or sold within the United States or to any U.S. Person (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available. This news release does not constitute an offer to sell or a solicitation of an offer to sell any securities of Arctic Fox in any jurisdiction where such offer or solicitation would be unlawful, including the United States.

### **About MakerSoul (Hong Kong) Limited**

MakerSoul is a prominent retail platform for hardware and power tools in Hong Kong. MakerSoul offers wholesale and retail options both online and offline, offering a wide range of hardware, power tools, and safety supplies from internationally recognized brands. MakerSoul currently and continues to hold a leading position in Hong Kong within this market segment.

To engage and inform customers, MakerSoul leverages its online shopping and social media platforms, and collaborates with stakeholders across multiple industries to generate and disseminate information relevant to customers. Additionally, MakerSoul has developed its own brand, "TigerBull," which focuses on user-friendly trolley products. This focus on vertical integration allows for increased margins and a higher level of control.

In fiscal 2023, MakerSoul reported audited revenue numbers of approximately CAD\$4 million, reflecting a 100% increase from CAD\$2 million in fiscal 2022. The gross profit for fiscal 2023 was CAD\$1.1 million, with a net income of CAD\$160,000, representing increases of 15% and 60% from the previous year, respectively. Profit margins ranged from 25% to 28%. For fiscal 2024, MakerSoul is projected to achieve approximately CAD\$5.1 million in revenue, a gross profit of CAD\$1.5 million

and net income of CAD\$250,000. The profit margin is expected to rise to approximately 30%.

Management currently estimates revenues of approximately CAD\$5.8 million, gross profit of CAD\$2 million, and net income of CAD\$310,000 in fiscal 2025. Profit margin is expected to increase to 33%, which is attributed to the introduction of new products and proprietary brands. Furthermore, the company aims to expand its operations in Asia while also exploring opportunities within the AI robotics industry.

### **About Arctic Fox Lithium Corp.**

Arctic Fox Lithium Corp. is a junior mineral exploration company focused on the acquisition and development of mineral properties containing battery, base and precious metals. The Company's 2,756-hectare Pontax North Lithium Project ("Pontax North") is located 12 km south of Allkem Ltd. (ASX/TSX:ALLKEM) ("Allkem") James Bay Lithium Project and 12 km north of Stria Lithium Inc.'s (CSE:SRA) Pontax Lithium Project, located in northern Québec, approximately 130 km east of the Eastmain Cree Nation's community.

For further information, please contact:

Harry Chew, President, CEO  
Phone: (604) 689-2646

On behalf of the Board of Directors,

*"Harry Chew"*

Harry Chew  
President & CEO  
Arctic Fox Lithium Corp.

Twitter: <https://twitter.com/arcticfoxLi>

LinkedIn: <https://www.linkedin.com/company/arcticfoxlithium>

Facebook: <https://www.facebook.com/arcticfoxlithium>

Instagram: <https://www.instagram.com/arcticfoxlithium>

YouTube: <https://www.youtube.com/@arcticfoxlithium>

*Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release.*

**Forward-Looking Information:** *Except for statements of historic fact this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan" "expect" "project" "intend" "believe" "anticipate" "estimate" and other similar words or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including but not limited to delays or uncertainties with regulatory approvals including that of the CSE, any approvals required at the Shareholder Meeting and the ability for the parties to enter into the Definitive Agreement and proceed with the closing of the Proposed Transaction, and that the Definitive Agreement contains conditions as substantially set out herein. There are uncertainties inherent in forward-looking information including factors beyond the Company's control. There are no assurances that the business plans for Arctic Fox described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators which are available at [www.sedarplus.ca](http://www.sedarplus.ca)*