



ALASKA HYDRO CORPORATION
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TSX Venture Exchange: AKH

NEWS RELEASE
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**ALASKA HYDRO ANNOUNCES RECEIPT OF CEAA ENVIRONMENTAL IMPACT STUDY
GUIDELINES**

December 27, 2016 – Vancouver, British Columbia –Cliff Grandison, President of Alaska Hydro Corporation, (the “Company”) announced that on December 22, 2016 it received the Canadian Environmental Agency's (“CEAA”) Environmental Impact Statement (“EIS”) Guidelines for the Company's More Creek Hydroelectric Project. These guidelines were issued on day 42 of the prescribed timeline for the Environmental Review by the CEAA. The prescribed timelines allow the CEAA to take up to 60 days to provide EIS Guidelines after the Project Description has been accepted by CEAA and the determination made that the Project is subject an Environmental Review.

The Guidelines were subject to 30 review period, in draft, by the Company, First Nations, Stakeholders and the public. Since there were no material changes to the guidelines as result of the review, the final Guidelines were issued in a timely manner. A copy of the Guidelines will be posted on the CEAA website and on the Company's web site (www.alaskahydro.com).

The Company plans to proceed immediately with the preparation of the Environmental Impact Statement in accordance with the Guidelines. Initially the Company will compile all published relevant available data and plan site work, public and First Nations consultation.

The More Creek Project site has been covered in part by other Environmental Impact Statements such as AltaGas' Forrest Kerr and Volcano Creek Run of River projects and NovaGold's Galore Creek Mine and by BC Hydro in its Iskut Canyon and More Creek Generation Project Study

For further information, please contact:

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Certain statements contained in this release may constitute forward-looking information. These statements may relate to future events or future performance, including receipt of a water licence in respect of the proposed project, receipt of land tenure in respect of lands relating to the proposed project, completion of a preliminary economic assessment, environmental assessments, prefeasibility and feasibility studies and project financing, receipt of TSX Venture Exchange acceptance, receipt of a satisfactory outcome in consultations with First Nations, receipt of applicable permits, anticipated project development timelines and anticipated demand for hydro electricity. The use of any of the words “could”, “intend”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Any forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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