



**ALASKA HYDRO CORPORATION**  
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TSX Venture Exchange: AKH

**NEWS RELEASE**  
**NOT FOR DISSEMINATION IN THE UNITED STATES**

**ALASKA HYDRO ANNOUNCES ACCEPTANCE OF FORREST KERR WATER LICENCE APPLICATION**

**March 23, 2017 – Vancouver, British Columbia** –Cliff Grandison, President of Alaska Hydro Corporation, (the “Company”) announced that FrontCounter (BC), on behalf of the Ministry of Forests Lands and Natural Resource Operations has accepted the Company's applications for an Investigative Licence - Waterpower and a Water Licence on Forrest Kerr Creek in northwestern British Columbia.

The purpose of the application is to obtain a water licence and land tenure to construct a hydroelectric storage facility and diversion dam on Forrest Kerr Creek. The intended purpose of the diversion dam will be to redirect water from Forrest Kerr Creek through a 220 metre long 5.5 metre diameter water tunnel and a 700 metre long and 7 metre wide channel into the More Creek watershed. The water diverted will be added to the More Creek discharge resulting in an increase in energy produced by the More Creek hydroelectric generators.

The planned Forrest Kerr dam will be an earth fill dam approximately 37 metres in height and 200 metres wide. It is projected to divert all flows in excess of 3.77cu m/sec of the 25.13cu m/sec mean annual flow into the More Creek watershed.

The Forrest Kerr Creek Diversion Project is estimated to cost \$35 million and is projected to increase the energy produced by the More Creek hydroelectric generators by 104 GWh on average annually. It is estimated to add approximately \$10 million additional revenue to the Company's More Creek Project.

The Company plans on further engineering and design work on the More Creek Project in order to optimize the cost of construction and revenue potential. The Forrest Kerr Creek Diversion Project is not incorporated into the More Creek Project currently being permitted in order to maintain project momentum. The Forrest Kerr Creek Diversion Project will be treated as an expansion of the More Creek Project in due course. Meanwhile the More Creek Project will be designed to accept future flows from Forrest Kerr.

For further information, please contact:

Cliff Grandison, Interim President and Chief Executive Officer  
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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 projects, receipt of land*

*tenure in respect of lands relating to the proposed projects, 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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