



ALASKA HYDRO CORPORATION
2633 Carnation Street
North Vancouver, BC V7H 1H6
TSX Venture Exchange: AKH

NEWS RELEASE
NOT FOR DISSEMINATION IN THE UNITED STATES

ALASKA HYDRO UPDATE ON MORE CREEK HYDRO ELECTRIC PROJECT

September 6, 2018 – Vancouver, British Columbia – Cliff Grandison, President of Alaska Hydro Corp. (the Company), TSX:AKH, announced that the Company's consultant, Sigma Engineering has completed a revision to its 75 MW More Creek hydroelectric project Prefeasibility Study. The revisions have been made to include the diversion of water from the Forrest Kerr water shed into the More Creek watershed.

The Forrest Kerr Creek is approximately 2.5 km west of the south arm of More Creek and the proposed diversion would be approximately 25 km upstream of its confluence with the Iskut River. Water in excess of 3.7 m³/s or approximately 21.36 m³/s of the mean annual flow will be diverted to More Creek and increase annual generation from 345 GWh to 448 GWh and revenue potential from \$34.5 million to \$44.8 million, an increase of 30%. Total construction cost is expected to increase from \$ 191,247,020 to \$242,223,320. The rate of return or IRR is estimated to be 33.61% and the Net Present Value at a 10% discount rate is estimated to be \$154,924,278. The financial result of the revised prefeasibility study confirms that the More Creek project is financially robust and will be subjected to a full feasibility study with the revised design criteria.

The More Creek project is in both the federal CEAA environmental assessment process and the BC EAO environmental assessment process. The Forrest Kerr diversion will require an amendment to the project description and every effort will be made to continue with the environmental assessments without being setback by the design change. The More Creek storage dam and generator will not require any design change to handle the increased flow resulting from the diversion from Forrest Kerr Creek. The Company is seeking joint venture partners to take the project through the engineering and permitting stage.

For further information, please contact:

Cliff Grandison, President
(604) 929-3961

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.

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