PACIFIC ANDES RESOURCES DEVELOPMENT LIMITED
(*Incorporated in Bermuda with limited liability*)
(the **"Company")**

INSOLVENCY PROCEEDINGS IN THE VIRGIN ISLANDS FOR A DIRECT SUBSIDIARY

Reference is made to the Company's previous announcement made on 27 April 2017 regarding insolvency proceedings commenced against a direct wholly-owned subsidiary of the Company in the Virgin Islands, Richtown Development Limited ("**Richtown**").

The Eastern Caribbean Supreme Court in the Virgin Islands (the "**BVI Court**") heard the application to wind up and appoint liquidators for Richtown on 2 June 2017. Following a contested evidentiary hearing, the BVI Court made an order winding up Richtown and the previously announced joint provisional liquidators, Mr. Ian Morton (of FTI Consulting British Virgin Islands) and Mr. Nicholas James Gronow (of FTI Consulting Singapore) for Richtown, were appointed as liquidators for the company.

The Company remains committed to its efforts to deliver the best possible outcome for all creditors and stakeholders, and will continue to proceed with the Chapter 11 restructuring process under the supervision of the US Bankruptcy Court in New York.

Further announcements will be made as material developments arise.

By Order of the Board

Ng Puay Yee (Jessie)
Executive Chairman

5 June 2017