Report to:

GREAT PANTHER RESOURCES LTD.

Technical Report on the Cata Clavo Zone, Guanajuato Mine Property, Mexico

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TECHNICAL REPORT ON THE CATA CLAVO ZONE, GUANAJUATO MINE PROPERTY, MEXICO

OCTOBER 2009

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REVISION HISTORY

REV. NO	ISSUE DATE	PREPARED BY AND DATE	REVIEWED BY AND DATE	APPROVED BY AND DATE	DESCRIPTION OF REVISION
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01	October 14, 2009	G.M. October 14, 2009	G.A. October 14, 2009	P.W. October 14, 2009	Final revised report issued.

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1.0 SUMMARY

The Guanajuato Mine Property (the Property) is located on the northern edge of the city of Guanajuato, Guanajuato State, Mexico, about 430 km northwest of Mexico City. The principal metals of interest are silver and gold, which occur in fissure veins together with base metals. These veins occupy regional-scale faults, the largest of which is the Veta Madre that contains mineralization over a strike length of 25 km and a vertical range of at least 600 m. The Property contains (among others) the Cata Vein system, located within the central portion of the Veta Madre. Great Panther Resources Ltd. (Great Panther) is currently mining three portions of the Veta Madre system, and is concurrently exploring extensions of the zones being mined.

Great Panther has retained Wardrop Engineering Inc. (Wardrop) to prepare a National Instrument 43-101 (NI 43-101) compliant technical report on the Cata Clavo Zone, a portion of the Cata Vein system that Great Panther has explored by core drilling and limited development.

The Property is 1,107.28 ha in area and is comprised of 28 non-contiguous mineral claims. The location of the principal claim group that comprises the Property is located at approximately 21°03' North latitude and 101°15' West longitude (NAD 27 UTM 2327500N, 265500E). Great Panther owns 100% interest in the claims through their wholly owned subsidiary, Minera Mexicana El Rosario S.A. de C.V. (MMR).

The Guanajuato district is underlain by rocks of Mesozoic and Cenozoic age. Mesozoic-age strata are comprised of interbedded metasedimentary, and overlying andesitic to dacitic volcanic and volcaniclastic rocks. These rocks were intruded by diorite and tonalite of the La Luz Intrusive Complex that may represent feeders of La Luz volcanic rocks. These rocks are overlain by up to 2,000 m of Eocene-age redbed conglomerate.

The most important phase of mineralization in the Guanajuato district is comprised of epithermal silver-gold veins contained in Cenozoic-age faults. These faults follow four principal trends but most production has been from three northwest-trending, southwest-dipping vein systems – Sierra, Veta Madre, and La Luz.

The Cata Clavo Zone is located in the central portion of the Veta Madre Vein system and is largely confined to the contact between Mesozoic and overlying Cenozoic-age rocks.

The Veta Madre is the main mineralized structure in the Guanajuato district and has a known strike length of at least 25 km. The vein strikes about 130° to 165° and dips 45° to 70° to the west.

Mineralization is contained within veins and stockworks. Veins are tabular with sharp contacts and little replacement of wall rocks. Crustification textures are common. Ore shoots are from a few centimetres to 40 m in width and extend from a few tens of metres to 450 m along strike.

Stockworks occur in the hanging wall of the Veta Madre and are comprised of veinlets that vary from a few millimetres to 30 cm in thickness. Stockwork zones are up to 90 m in width but, on average, are about 20 m wide.

Grades of mineralization vary within the Veta Madre. The highest average grades, 4.5 grams per tonne (g/t) gold and 450 g/t silver, were reported from the Peregrina Mine. During the 6-month period ending April 2009, Great Panther mined 34,780 t of ore from the Cata Deep orebody at an average grade of about 1.52 g/t gold and 334 g/t silver.

Ore is milled from all three of Great Panther's mining operations at a central facility – the Cata plant. Concentrate is sold to a copper smelter in San Luis Potosi, 160 km from Guanajuato.

The Cata Clavo Zone immediately underlies that portion of the Cata Zone that is currently being mined and has been tested by 37 exploration and 50 production drillholes over a strike length of about 400 m and a down dip distance of about 300 m.

An estimate of the contained gold and silver resource was made by inverse distance squared (ID2) and nearest neighbour (ID5) methods. The estimate was quantified on the basis of net smelter return (NSR). With capped silver and gold grades, the three veins are estimated to contain the following ID2 resource with an NSR greater than US$37.50/t:

- Indicated 352,000 tonnes at 1.2 g/t Au and 359 g/t Ag
- Inferred 24,000 tonnes at 1.0 g/t Au and 296 g/t Ag.

Additional drilling is recommended to test for possible extensions of mineralization both along strike and down dip. This drilling should be of similar density to that already carried out, which is sufficient to identify mineralization but too sparse to permit a high level of confidence in the definition of any such mineralization that is located.

A tentative budget of 40 holes (15,000 aggregate metres) is considered appropriate. It will be necessary to provide about 600 m of development, ventilation, and electrical support in order to conduct this drilling. Great Panther has estimated such a program to cost US$3 million (M).

2.0 INTRODUCTION AND TERMS OF REFERENCE

2.1 INTRODUCTION

Great Panther has retained Wardrop to prepare a NI 43-101-compliant technical report on the Cata Clavo Zone, a portion of the Cata Vein system that Great Panther has explored by core drilling and limited development.

The Property is located in the city of Guanajuato, Guanajuato State, Mexico, about 430 km northwest of the national capital, Mexico City. The principal metals of interest are silver and gold, which occur in fissure veins together with base metals. These veins occupy regional-scale faults, the largest of which is the Veta Madre that contains mineralization over a strike length of 25 km and a vertical range of at least 600 m. The Property contains the Cata Vein system, located within the central portion of the Veta Madre. Great Panther is currently mining three portions of the Veta Madre, of which the Cata vein system is one, and is concurrently exploring extensions of the zones being mined.

2.2 TERMS OF REFERENCE

This technical report includes a resource estimate of the three principal veins that comprise the Cata Clavo Vein system within the area of exploration: the Madre, Alto 1, and Alto 2 Veins. Great Panther has requested this technical report in order to make a first-time statement of mineral resources.

As part of the preparation of this report, one of the authors (Dr. Gilles Arseneau, P.Geo.) visited the Property between February 4 and 7, 2007.

Table 2.1 outlines the abbreviations that are used throughout this report.

Table 2.1 List of Abbreviations

Term	Abbreviation
acre	**ac**
centimetre	**cm**
cubic centimetres	**cm^3**
day	**d**
gold	**Au**
gram	**g**
grams per tonne	**g/t**
Great Panther Resources Ltd.	**Great Panther**
hectare	**ha**
hour	**h**
inverse distance squared	**ID5**
kilometre	**km**
metre	**m**
metres above sea level	**masl**
millimetres	**mm**
million	**M**
million tonnes	**Mt**
Minera Mexican El Rosario S.A. de C.V.	**MMR**
National Instrument 43-101	**NI 43-101**
nearest neighbour	**ID5**
net smelter return	**NSR**
ounce	**oz**
parts per million	**ppm**
qualified person	**QP**
quality assurance/quality control	**QA/QC**
silver	**Ag**
the Guanajuato Mine Property	**the Property**
tonne	**t**
tonnes per cubic metre	**t/m^3**
Wardrop Engineering Inc.	**Wardrop**
week	**wk**

3.0 RELIANCE ON OTHER EXPERTS

Wardrop has relied upon others for information in this report. Information from third-party sources is referenced. Wardrop used information from these reports under the assumption that this information is accurate. Data provided to Wardrop by Great Panther is listed in Section 17.0.

Wardrop has also relied upon information supplied by Great Panther with respect to property title, status of permits, and the existence of legal liabilities, as well as information pertaining to mining milling, permitting, taxes, and operating costs.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Property is approximately 1,107.28 ha in area and is located on the northern edge of the city of Guanajuato, Guanajuato State, central Mexico, about 430 km northwest of Mexico City. The Property is comprised of 28 non-contiguous mineral claims. The location of the principal claim group that comprises the Property is located at approximately 21°03' North latitude and 101°15' West longitude (NAD 27 UTM 2327500N, 265500E).

All the claims that comprise the Great Panther holdings at Guanajuato are listed in Table 4.1 and their locations are shown in Figure 4.1. The location of the Cata claims is highlighted. Great Panther owns a 100% interest in the claims through their wholly owned subsidiary, MMR.

Claim boundaries have been legally surveyed.

The Property contains a 4-km portion of the Veta Madre vein system; this vein system extends well beyond the boundaries of the Property. The currently active tailings disposal area and waste-rock dump are located within the Property and within an area for which Great Panther holds the surface rights.

The Property is not subject to any royalties or other financial encumbrances other than taxes.

There are no known environmental liabilities. All necessary permits for current and planned activities are in place.

Table 4.1 Guanajuato Property List of Claims*

Name	Title #	Area (ha)	Date of Record	Expiry	Group
San Francisco de Pili	168161	97.2871	02/03/1981	01/03/2031	Agrupo San Francisco de Pili
La Victoria	168162	28.7718	02/03/1981	01/03/2031	
Cata	168163	91.6040	02/03/1981	01/03/2031	
Esperanza	168164	47.4890	02/03/1981	01/03/2031	
Valenciana	168165	91.9428	02/03/1981	01/03/2031	
Purisma Conception	168166	66.0000	02/03/1981	01/03/2031	
Rayas	168167	88.6727	02/03/1981	01/03/2031	
San Pedro Gilmonene	168168	72.1458	02/03/1981	01/03/2031	
Primera Ampl. de Esperanza	168169	8.9073	02/03/1981	01/03/2031	
Primera Ampl. de Valenciana	168170	97.3097	02/03/1981	01/03/2031	Agrupo San Francisco de Pili (con't)
El Borrego	168171	24.0000	02/03/1981	01/03/2031	
El Progreso	180370	30.8635	25/03/1987	24/03/2037	
El Promontorio	180371	10.3232	25/03/1987	24/03/2037	
El Caliche	65872	7.8465	02/03/1981	01/03/2031	
Animas o Espiritu Santo	R.F. 563	4.1420	02/03/1981	01/03/2031	
San Vicente	R.F. 338	3.0552	02/03/1981	01/03/2031	
Pipichagua	160650	6.0000	10/10/1974	09/10/2024	Agrupo Pipichagua
Nueva Seguridad	160674	27.0000	10/10/1974	09/10/2024	
La Guadalupana	161526	16.0000	25/04/1975	24/04/2025	
San Francisco de Asis	169359	6.8808	11/11/1981	10/11/2031	Agrupo SF de Asis
La Chuparrosa	169360	1.2000	11/11/1981	10/11/2031	
San Antonio	177934	49.0000	29/05/1986	28/05/2036	Individual
Socavon de La Fe	189664	15.0000	05/12/1990	04/12/2040	Individual
Robledo	191436	49.4860	19/12/1991	18/12/2041	Individual
Primera Ampliacion de Sirio	192176	24.0000	19/12/1991	18/12/2041	Individual
Canada de La Virgen	214875	30.0000	04/12/2001	03/12/2051	Individual
El Zapote	214890	80.7106	04/12/2001	03/12/2051	Individual
Primera Ampl. de San Antonio	215568	32.1847	05/03/2002	04/03/2052	Individual
TOTAL		**1,107.8227**			

* All claims listed are exploitation-type.

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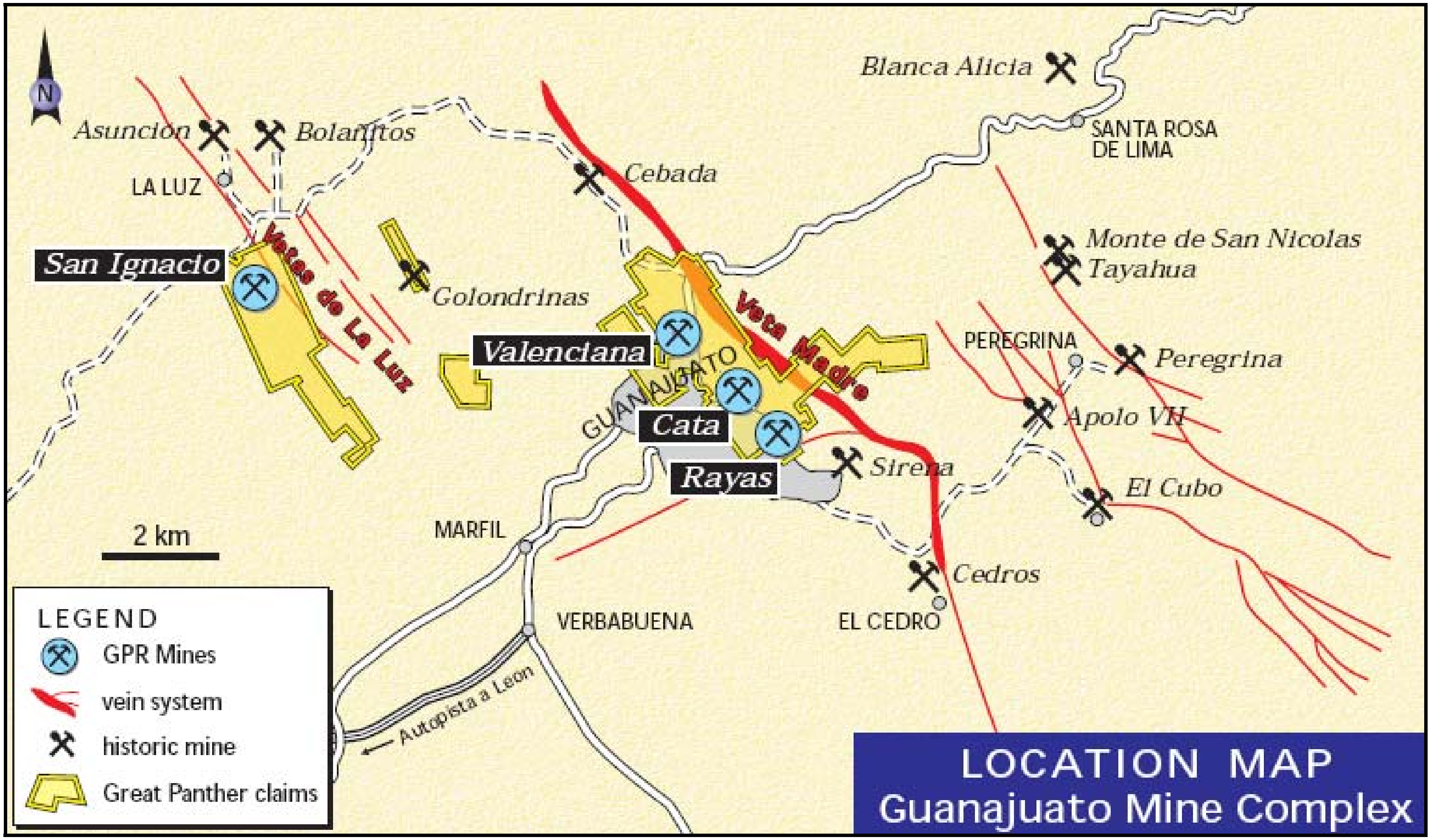
Figure 4.1 Guanajuato Property Claim Map



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The following information has been excerpted from Cavey and Gunning, 2005.

Guanajuato is located in the Central Plateau of Mexico in the Sierra de Guanajuato mountains, at elevations ranging from 1600 to 2200 m.

The city of Guanajuato has a population of about 115,000 and access to the Property, which is located on the northern side of the city, is via city streets.

Guanajuato is located within about 40 km of an international airport and has modern road access to major population centres in central Mexico.

This part of Mexico has a dry climate; annual precipitation is about 600 mm per year and falls generally between May and October. Winter months are cool and dry. The mean annual temperature is about 25°C although winter temperatures can drop below zero.

Vegetation is comprised of grasses, small trees, shrubs, and cacti. Mining and exploration activities are conducted year-round.

Guanajuato has been a mining centre since the mid-1500s and most supplies are available locally. The Property is an operating mine and has been part of a mining complex for centuries; therefore, the requisite storage, waste disposal, and plant sites are well established. The possibility or practicality of expanding the surface infrastructure has not been assessed by Wardrop.

6.0 HISTORY

The following information has been largely excerpted from Randall et al, 1995.

Silver-bearing mineralization was discovered in the Guanajuato area in 1548. Exploration and production, particularly on the highly productive northwest-trending faults of the district, continued from that date until 1810 when mining ceased and production facilities were destroyed during the Mexican War of Independence. In 1868, the Valencia mine was re-opened with British capital. Subsequently, old dumps and tailings were re-processed using cyanide extraction. Production diminished during the early 1900s until interest in the district was renewed between 1947 and 1949 with the discovery of a new ore shoot in the Veta Madre Fault by Fresnillo Company.

In 1939, the Sociedad Cooperativa Minero Metalùrgica Santa Fe de Guanajuato acquired the property that currently comprises the Guanajuato Mine Property of Great Panther.

As of 1990, documented production within the Guanajuato district amounted to about 35,000 t of silver and 175 t of gold. Historical production, specifically from the Cata Mine, is not known except for the period 1992 to 1994, during which time about 455,000 t were processed at an average grade of about 1 g/t gold and 136 g/t silver.

Great Panther acquired the Property in 2005 and has drilled more than 100 exploration drillholes from surface and underground since acquisition. Some of the underground drilling has tested the Cata Clavo Zone (that portion of the Veta Madre vein system that is the subject of this report).

7.0 GEOLOGICAL SETTING

7.1 REGIONAL GEOLOGY

The Guanajuato mining district is located in the southern portion of the Mesa Central physiographic province of Mexico, within the Sierra de Guanajuato, an anticlinal structure approximately 100 km long and 20 km wide. The surface is covered by outliers of the Sierra Madre Occidental Eocene-Oligocene volcanic province, and is bordered to the east by the Laramide-age (Late Cretaceous to Early Tertiary, approximately 65 million years), fold belt of the Sierra Madre Oriental (Figure 7.1).

The genesis of the Sierra Madre Occidental province and many of the contained metal deposits are attributed to subduction along the west coast of Mexico during the late Mesozoic to mid-Tertiary periods.

7.2 LOCAL GEOLOGY

The Guanajuato district is underlain by rocks of Mesozoic and Cenozoic age. Mesozoic-age strata are comprised of interbedded metasedimentary, and overlying andesitic to dacitic volcanic and volcaniclastic rocks. These rocks were intruded by diorite and tonalite of the La Luz Intrusive Complex that may represent feeders of La Luz volcanics. These rocks have undergone sub-greenschist regional metamorphism.

Mesozoic-age strata are unconformably overlain by the Guanajuato Conglomerate, an Eocene-age conglomeratic redbed sequence up to 2,000 m thick. The conglomerate is overlain by a caldera complex up to several thousand metres in thickness, comprised of a base surge deposit (Loseros Tuff), caldera fill (Bufa Rhyolite), volcaniclastics, and megabreccia (Calderones Formation). The caldera strata are overlain by several hundred metres of post-caldera andesite, rhyolite, and basalt of Tertiary and Quaternary age.

The most important phase of mineralization in the Guanajuato district is comprised of epithermal silver-gold veins contained in Cenozoic-age faults. These faults follow four principal trends but most production has been from three northwest-trending, southwest-dipping vein systems – Sierra, Veta Madre, and La Luz. This trend is parallel to the eastern flank of the Sierra Madre Occidental, and is cross-cut by northeast-trending graben-bounding faults. The Cata Clavo Zone is located in the central portion of the Veta Madre Vein system and is largely confined to the contact between Mesozoic and overlying Cenozoic-age rocks (Figure 7.1).

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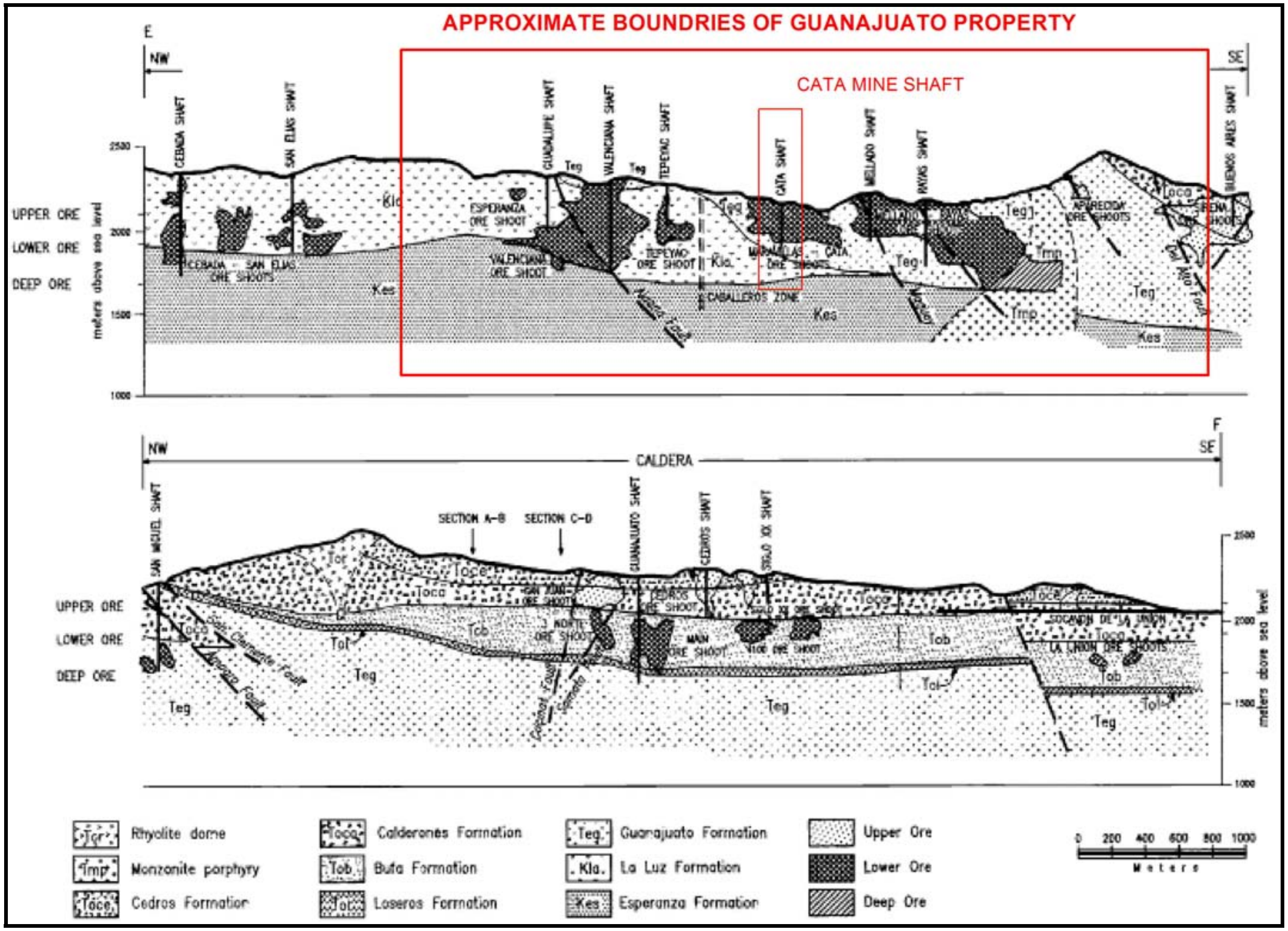
Figure 7.1 Long Section – Veta Madre Vein System



Note: modified from Randall et al., 1994.

8.0 DEPOSIT TYPE

The Veta Madre mineralization conforms to the epithermal gold-silver, low sulphidation model, the significant characteristics of which are summarized in this section (after Panteleyev, 1996):

- **Capsule Description**: Quartz veins, stockworks, and breccias carrying gold, silver, electrum, argentite, and pyrite with lesser and variable amounts of sphalerite, chalcopyrite, galena, rare tetrahedrite, and sulphosalt minerals form in high- level (epizonal) to near-surface environments. The ore commonly exhibits open-space filling textures and is associated with volcanic-related hydrothermal to geothermal systems.
- **Tectonic Setting**: Volcanic island and continent-margin magmatic arcs and continental volcanic fields with extensional structures.
- **Geological Setting**: High-level hydrothermal systems from depths of approximately 1 km to surficial hotspring settings. Regional-scale fracture systems related to grabens, (resurgent) calderas, flow-dome complexes, and (rarely) maar diatremes. Extensional structures in volcanic fields (normal faults, fault splays, ladder veins, and cymoid loops, etc.) are common; locally graben or caldera-fill clastic rocks are present. High-level (subvolcanic) stocks and/or dikes and pebble breccia diatremes occur in some areas. Locally resurgent or domal structures are related to underlying intrusive bodies.
- **Age of Mineralization**: Any age; closely related to the age of the host volcanic rocks but invariably slightly younger (0.5 to 1.0 million years) in age.
- **Host/Associated Rock Types**: Most types of volcanic rocks; calcalkaline andesitic compositions predominate. Some deposits occur in areas with bimodal volcanism and extensive subaerial ashflow deposits. A less common association is with alkalic intrusive rocks and shoshonitic volcanics. Clastic and epiclastic sediments in intra-volcanic basins and structural depressions.
- **Deposit Form**: Ore zones are typically localized in structures but may occur in permeable lithologies. Upward-flaring ore zones centered on structurally-controlled hydrothermal conduits are typical. Large (>1 m wide and hundreds of metres in strike length) to small veins and stockworks are common with lesser disseminations and replacements. Vein systems can be laterally extensive but ore shoots have relatively restricted vertical extent. High-grade ores are commonly found in dilational zones in faults at flexures, splays, and in cymoid loops.

- **Texture/Structure**: Open-space filling, symmetrical, and other layering, crustification, comb structure, colloform banding, and multiple brecciation.
- **Ore Mineralogy (Principal and *subordinate*)**: Pyrite, electrum, gold, silver, argentite; c*halcopyrite, sphalerite, galena, tetrahedrite, silver sulphosalt and/or selenide minerals*. Deposits can be strongly zoned along strike and vertically. Deposits are commonly zoned vertically over 250 to 350 m from a base metal-poor, Au-Ag-rich top to a relatively Ag-rich base metal zone and an underlying base metal rich zone grading at depth into a sparse base metal, pyritic zone. From surface to depth, metal zones contain: Au-Ag-As-Sb-Hg, Au-Ag-Pb-Zn-Cu, Ag-Pb-Zn. In alkalic hostrocks tellurides, V mica (roscoelite), and fluorite may be abundant with lesser molybdenite.
- **Gangue Mineralogy (Principal and *subordinate*)**: Quartz, amethyst, chalcedony, quartz pseudomorphs after calcite, calcite; *adularia, sericite, barite, fluorite, Ca- Mg-Mn-Fe carbonate minerals such as rhodochrosite, hematite, and chlorite*.
- **Alteration Mineralogy**: Silicification is extensive in ores as multiple generations of quartz and chalcedony, commonly accompanied by adularia and calcite. Pervasive silicification in vein envelopes is flanked by sericite-illite- kaolinite assemblages. Intermediate argillic alteration [kaolinite-illite-montmorillonite (smectite)] formed adjacent to some veins; advanced argillic alteration (kaolinite-alunite) may form along the tops of mineralized zones. Propylitic alteration dominates at depth and peripherally.
- **Ore Controls**: In some districts, mineralization is tied to a specific metallogenetic event, either structural, magmatic, or both. The veins are emplaced within a restricted stratigraphic interval generally within one kilometer of the paleosurface. Mineralization near surface takes place in hotspring systems, or the deeper underlying hydrothermal conduits. At greater depth it can be postulated to occur above or peripheral to, porphyry and possibly skarn mineralization. Normal faults, margins of grabens, coarse clastic caldera moat-fill units, radial and ring dike fracture sets, and both hydrothermal and tectonic breccias are all ore fluid channeling structures. Through-going, branching, bifurcating, anastamosing, and intersecting fracture systems are commonly mineralized. Ore shoots form where dilational openings and cymoid loops develop, typically where the strike or dip change.
- **Genetic Model**: These deposits form in both subaerial, predominantly felsic, volcanic fields in extensional and strike-slip structural regimes and island arc or continental andesitic stratovolcanoes above active subduction zones. Near-surface hydrothermal systems, ranging from hotspring at surface to deeper, structurally and permeability focused fluid flow zones are the sites of mineralization. The ore fluids are relatively dilute and cool solutions that are mixtures of magmatic and meteoric fluids. Mineral deposition takes place as the solutions undergo cooling and degassing by fluid mixing, boiling, and decompression.

9.0 MINERALIZATION

The Veta Madre is the main mineralized structure in the Guanajuato district. The vein strikes about 130° to 165° and dips 50° to 70° to the southwest. The Veta Madre has a known strike length of at least 25 km.

Mineralization is contained within veins and stockworks. Veins are tabular with sharp contacts and little replacement of wall rocks. Crustification textures are common. Ore shoots are from a few centimetres to 40 m in width and extend from a few tens of metres to 450 m along strike.

Stockworks occur in the hanging wall of the Veta Madre where they are hosted by the Calderones Formation, the Guanajuato Conglomerate, and the Bufa Tuff. Veinlets in the stockworks vary from a few millimetres to 30 cm in thickness. Stockwork zones are up to 90 m in width but, on average, are about 20 m wide.

Historical mine development led to a tripartite differentiation of mineralization on the basis of elevation above sea level. The following nomenclature has remained in use:

- Upper Ore refers to mineralization located above 2200 m elevation.
- Lower Ore occurs between 2200 and 1700 masl.
- Deep Ore (which is comparatively minor) occurs below 1700 m.

Three temporal phases of mineralization have also been recognized (Randall et al, 1994): pre-ore, ore, and post-ore. Pre-ore mineralization is comprised of quartz, adularia, and traces of silver and gold. Ore mineralization is comprised of early, silver-rich assemblages including adularia, argentite, acanthite, and base metals. A late silver-deficient phase contained calcite and minor quartz. The post-ore mineralizing phase contained calcite, dolomite, and fluorite.

Grades of mineralization vary within the Veta Madre. The highest average grades (4.5 g/t gold and 450 g/t silver) were reported from the Peregrina Mine. During the 6-month period ending April 2009, Great Panther mined 34,780 t of ore from the Cata Deep orebody with an average grade of 1.52 g/t gold and 334 g/t silver.

10.0 EXPLORATION

Since acquiring the Guanajuato Mine Property in 2005, Great Panther has drilled more than 100 exploration holes, both from surface and underground, to explore for new occurrences of mineralization and to better define known occurrences.

This report pertains to an underground drill program designed to define the extent of mineralization within the Veta Madre vein system below the 430 Level, between elevations 1750 and 1500 masl (Cata Clavo Zone of the Cata Vein System). Details of this drilling are provided in Section 11.0.

Exploration at the Cata Clavo was carried out to define mineral resource located below the bottom of mine exploitation. The sole exploration technique used at the Cata Clavo is core-drilling. At the beginning of the drill program in the autumn of 2007 exploitation was to the 417 level, and by the end of the drilling program in August 2008 exploitation was being carried out on the Madre vein above the 430 level. As exploitation of mineralized material was taking place above the 417 level, and 11 core holes drilled by a previous mine owner indicated similar grades and widths to depth, Great Panther laid out a drill program to systematically drill the down-dip extension of the Cata Clavo below the 430 level to about the 600m level.

The drill program was carried out by Canrock Drilling Services of San Luis Potosi, Mexico using NQ size core.

The drill-hole program was planned and carried out under the supervision of two Great Panther personnel: R. Brown, P. Eng., VP Exploration and Bill Vanderwall, Country Manager. All geologists, surveyors, and data entry persons were under the employment of Great Panther or one of Great Panther's wholly-owned Mexican subsidiaries.

Before a drill hole was commenced the geologist and surveyor would line up the drill on the correct azimuth and inclination. At the end of the drill hole the surveyor and drillers would run a Flexit down-hole survey, collecting down-hole azimuth and inclination readings onto a hand-held data recorder every 50 meters. Typically drill holes were from 170 to 300 meters in length and drilled from -30 to -90 degrees from horizontal.

Due to the fact that the Cata Clavo mineral zones were being exploited, initially from the 417 level, and then from the 430 level, the Guanajuato Mine geological staff also completed a number of production in-fill drill holes using an in-house core drill with "A" standard core. Mine geological staff followed the exact procedures as given below, except that with the drill holes being 30-60 meters long, no down-hole surveys were completed.

Core boxes were labeled by the drillers as to drill-hole number, and as core was extracted and placed in the core boxes the drillers would label the “footage” at the end of each drill run. Each morning Great Panther personnel would transport the core from underground to surface and by truck to a secure core logging and storage facility within the walled and gated Guanajuato Mine office – mill compound. Once at the logging facility the core was laid out on benches in order, “footages” converted to meters, core boxes further marked as to beginning and ending meters, geotechnical surveys completed (RQD and recovery), and the core subsequently logged and marked out by Great Panther geologists for splitting. All splitting was carried out by a technician using a rock saw with all core returned to the boxes. The geologist would then remove half core to appropriately labeled plastic bags, seal the bags, and late in the day deliver the bagged core to the on-site laboratory managed by SGS Group (Minerals Services) for gold and silver analyses.

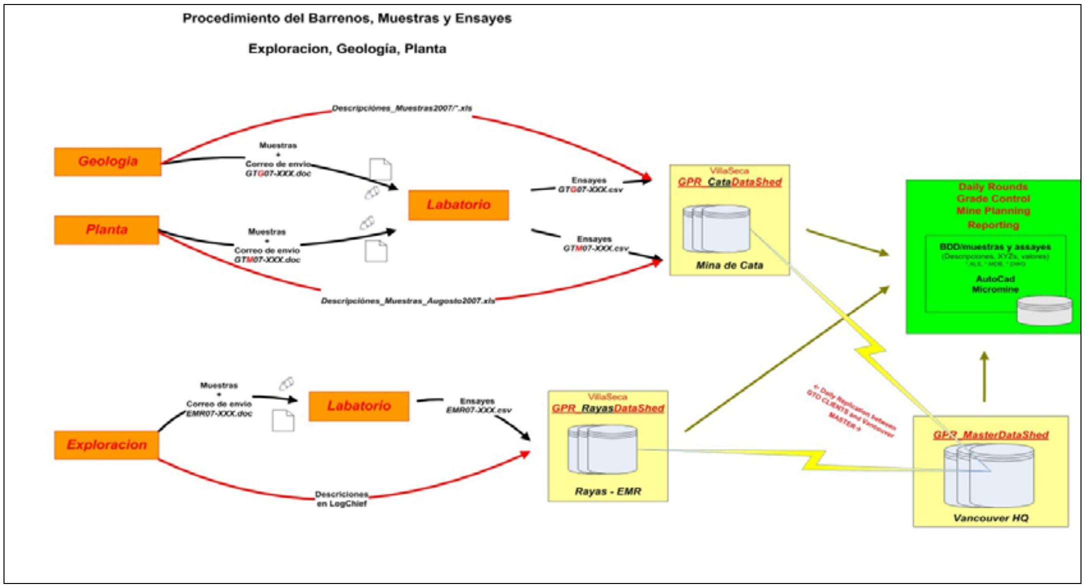
Sample intervals were controlled by lithology and geological features. The complete drill-hole was split and assayed; sections with minor alteration and near to no veining were sampled at 1.5-2.0 meter intervals. Within obviously altered, stockworked, brecciated, and mineralized zones, sample intervals were 0.3-0.6 meters. The Madre and Alto 1 zZones ranged from 2-10 meters in thickness; the Alto 2 zone is 1-3 meters thick. The Madre, Alto 1 and Alto 2 zones commonly occur within wider mineralized zones and as such assay boundaries were often used to define the three zones.

10.1 Data Collection and Reporting Procedures

Survey, geotechnical, log, and sample data were entered into the LogChief logger and the DataShed database, a geo-information database system. Assay data was loaded directly into DataShed via assay certificates from the SGS Group laboratory propriety database system. Once satisfied that the data had been correctly merged and quality controlled, this dataset was then loaded into AutoCad and MicroMine. , a 3D computer modeling and mineral resource estimating software system. Drill sections were generated, mineral zones interpreted, and a “wire-frame” model constructed from which a block model could be built.

Modeling of the three mineralized zones, the Madre, Alto 1 and Alto 2 was aided by the fact that the upper part of the Madre zone was being actively mined above the 430 level and as such the geological interpretation could be partially visually verified.

Figure 10.1 Sampling and Data Collection Flow Sheet



The “wire-frame” model was then passed over to Wardrop Engineering who reviewed the model and geological interpretation, and completed a block model mineral resource estimate.

11.0 DRILLING

As of the effective date of this report, Great Panther has completed 37 exploration drillholes to test the Cata Clavo Zone, a portion of the Veta Madre vein system east of the Cata shaft and below an elevation of about 1750 masl.

The holes were drilled from the 345 Level in five fans at approximately 50-m intervals along a northwest-southeast line. The holes were generally drilled to the northeast and southwest, perpendicular to the strike of the vein. The holes tested the vein system (here comprised of three principal veins – the Madre, Alto 1, and Alto 2) over a strike distance of about 400 m and a down-dip distance of about 300 m. Those holes that penetrated the veins within about 100 m of the collars intersected the veins at approximately right angles. Holes that penetrated the veins below that depth intersected them at progressively oblique angles so that, at a maximum, intersected thicknesses are approximately twice the true thicknesses.

The drillholes intersected the veins over the over the full range of the tested area and the veins contained potentially significant mineralization over the full down-dip distance. Along strike, however, mineralized intercepts that appear to form a continuous zone of potential economic interest were restricted to a distance of about 200 m. Other intercepts occur over about another 200 m.

In addition to the exploration holes, 13 of 50 core holes drilled from the 430 Level for production purposes also intersected a portion of the vein system under consideration. These holes were drilled at various angles, such that all vein intercepts are greater than true thicknesses.

Table 11.1 Selected Drill Hole Locations from Underground Drilling

Hole_ID	Easting	Northing	Elevation	Depth	Azimuth	Dip
EUG07-001	869.65	-2817.96	1759.50	186.65	57	-72
EUG07-002	867.06	-2819.49	1759.61	285.25	244	-80
EUG07-004	870.35	-2820.19	1759.45	193.40	53	-45
EUG07-005	869.13	-2816.49	1759.43	190.15	19	-43
EUG07-005	869.13	-2816.49	1759.43	190.15	19	-43
EUG07-006	867.93	-2817.17	1759.44	205.60	357	-48
EUG07-007	869.82	-2817.32	1759.46	198.00	19	-65
EUG07-007	869.82	-2817.32	1759.46	198.00	19	-65
EUG07-008	903.29	-2853.57	1758.08	108.90	49	-49
EUG07-009	902.84	-2854.01	1758.15	178.95	51	-54
EUG07-010	903.68	-2854.10	1758.15	179.70	60	-49

table continues...

Hole_ID	Easting	Northing	Elevation	Depth	Azimuth	Dip
EUG07-010	903.68	-2854.10	1758.15	179.70	60	-49
EUG08-011	902.82	-2854.59	1758.19	153.80	58	-71
EUG08-012	902.41	-2854.80	1758.18	227.30	45	-89
EUG08-013	903.37	-2854.26	1758.13	180.25	70	-49
EUG08-013	903.37	-2854.26	1758.13	180.25	70	-49
EUG08-014	902.50	-2853.60	1758.11	181.00	39	-64
EUG08-015	901.88	-2854.64	1758.18	220.00	58	-74
EUG08-015	901.88	-2854.64	1758.18	220.00	58	-74
EUG08-016	900.54	-2855.97	1758.27	292.85	237	-79
EUG08-021	935.56	-2892.49	1757.76	270.40	70	-89
EUG08-024	934.16	-2893.83	1756.10	301.60	231	-79
EUG08-033	866.86	-2820.11	1759.71	303.10	230	-75
EUG08-035	1015.04	-2987.84	1758.87	310.20	235	-79
UG08-043	926.04	-2783.09	1669.06	62.10	37	-45
UG08-049	925.38	-2783.79	1669.38	58.95	63	-88
UG08-051	926.37	-2783.84	1669.49	56.70	60	-43
UG08-056	871.87	-2764.58	1665.45	77.90	331	-38
UG08-067	875.42	-2763.52	1665.79	41.40	21	-45
UG08-069	884.45	-2764.87	1665.93	33.65	13	-1
UG09-072	938.34	-2836.48	1644.33	48.40	33	-1
UG09-073	938.01	-2837.79	1644.41	52.80	0	-90
UG09-074	884.53	-2764.57	1665.17	19.35	18	-44
UG09-074	884.53	-2764.57	1665.17	19.35	18	-44
UG09-075	939.92	-2836.86	1644.27	51.25	66	-44
UG09-076	894.37	-2768.11	1665.05	47.20	0	-90

Table 11.2 Selected Drill Hole Intersections from Underground Drilling

Hole_ID	mFrom	mTo	mWidth	Vein	Au_ppm	Ag_ppm
EUG07-001	117.25	117.75	0.50	alto2	8.12	22
	132.83	135.15	2.32	alto1	0.33	93
	135.15	135.70	0.55	alto1	4.47	1250
	135.70	136.46	0.76	alto1	0.60	146
	136.46	136.95	0.49	alto1	0.04	12
	136.95	137.40	0.45	alto1	0.02	9
	137.40	137.90	0.50	alto1	0.60	158
	156.16	156.93	0.77	madre	1.60	406
	156.93	157.30	0.37	madre	0.38	105
	157.30	158.15	0.85	madre	1.31	422
	158.15	159.40	1.25	madre	2.97	1010
EUG07-002	190.77	191.77	1.00	alto2		5770
	191.77	192.97	1.20	alto2	1.92	6

EUG07-005	102.32	102.58	0.26	alto3	0.37	145
	109.00	109.26	0.26	alto2	20.60	1810
	117.75	118.23	0.48	alto1	1.93	485
	126.03	126.63	0.60	madre	2.07	407
	126.63	127.16	0.53	madre	1.00	168
	127.16	127.75	0.59	madre	0.37	379
	127.75	128.60	0.85	madre	0.02	6
	128.60	129.15	0.55	madre	0.03	10
	129.15	130.33	1.18	madre	1.40	281
EUG08-013	147.77	148.35	0.58	??	8.00	3
EUG08-015	169.24	170.00	0.76	madre	2.59	782
	170.00	170.87	0.87	madre	0.00	0
	170.87	171.20	0.33	madre	0.15	18
	171.20	171.85	0.65	madre	0.51	65
	171.85	172.74	0.89	madre	1.44	590
	172.74	173.65	0.91	madre	0.07	28
	173.65	174.44	0.79	madre	0.09	164
EUG07-004	106.86	108.40	1.54	alto2	3.41	758
	108.40	108.82	0.42	alto2	2.07	410
	113.40	114.00	0.60	??	3.41	758
	121.96	122.66	0.70	alto1	5.13	1170
	135.28	136.15	0.87	madre	3.17	1140
	136.15	136.75	0.60	madre	2.45	878
	136.75	137.30	0.55	madre	0.07	12
	137.30	137.86	0.56	madre	0.37	53
	137.86	138.46	0.60	madre	0.19	59
	138.46	139.02	0.56	madre	0.84	224
	139.02	139.57	0.55	madre	0.29	143
	139.57	140.17	0.60	madre	0.39	170
	140.17	140.75	0.58	madre	0.29	60
	140.75	141.27	0.52	madre	0.03	6
	141.27	141.87	0.60	madre	0.19	52
	141.87	142.46	0.59	madre	0.18	70
	142.46	143.06	0.60	madre	1.95	946
	143.06	143.66	0.60	madre	0.51	298
EUG07-005	130.33	131.10	0.77	madre	0.64	169
EUG07-007	105.72	105.92	0.20	alto2	1.17	210
	141.24	142.80	1.56	alto1	1.14	324
	148.76	149.36	0.60	madre	0.07	237
	149.36	149.96	0.60	madre	0.91	168
	149.96	150.50	0.54	madre	0.53	82
EUG07-006	188.78	189.13	0.35	bajo1	0.19	421
EUG07-007	191.01	191.60	0.59	bajo1	0.46	134
EUG07-008	90.05	90.65	0.60	alto3	2.32	547

	90.65	91.15	0.50	alto3	3.32	913
	91.15	91.75	0.60	alto3	0.59	144
EUG07-010	88.98	89.58	0.60	alto3	0.95	300
	144.80	145.39	0.59	madre	0.51	158
EUG07-009	145.47	146.33	0.86	madre	1.40	393
	146.33	146.93	0.60	madre	0.86	256
	146.93	148.10	1.17	madre	0.03	11
	148.10	148.77	0.67	madre	0.11	43
	148.77	149.64	0.87	madre	0.23	88
	149.64	150.56	0.92	madre	0.56	158
	150.56	151.03	0.47	madre	0.67	171
	151.03	151.63	0.60	madre	0.05	13
	151.63	152.23	0.60	madre	0.13	55
	152.23	152.83	0.60	madre	0.78	197
EUG07-010	145.39	145.99	0.60	madre	0.24	63
	145.99	146.54	0.55	madre	0.96	264
	146.54	147.10	0.56	madre	1.63	9
	147.10	147.70	0.60	madre	2.71	742
	147.70	148.32	0.62	madre	3.31	882
	148.32	148.92	0.60	madre	0.23	57
	148.92	149.48	0.56	madre	0.40	85
	149.48	151.30	1.82	madre	0.11	33
	151.30	152.66	1.36	madre	0.34	88
	152.66	153.28	0.62	madre	0.12	34
	153.28	153.80	0.52	madre	0.12	31
	153.80	154.43	0.63	madre	0.07	12
	154.43	155.02	0.59	madre	0.24	24
	155.02	155.62	0.60	madre	1.99	485
EUG08-011	136.05	136.78	0.73	alto1	4.31	97
	136.78	137.38	0.60	alto1	5.40	200
	137.38	137.90	0.52	alto1	0.17	43
	137.90	138.50	0.60	alto1	0.23	50
	138.50	139.39	0.89	alto1	0.80	202
	139.39	140.92	1.53	alto1	0.02	5
	140.92	141.67	0.75	alto1	4.73	195
	141.67	142.25	0.58	alto1	0.62	51
	142.25	142.80	0.55	alto1	0.05	15
	142.80	143.33	0.53	alto1	0.14	53
	143.33	143.50	0.17	alto1	3.85	149
	143.50	144.21	0.71	alto1	0.00	2
	144.21	144.78	0.57	alto1	0.10	20
	144.78	145.38	0.60	alto1	0.03	9
	145.38	145.71	0.33	alto1	13.10	4280
	148.29	149.32	1.03	??	6.01	176

	149.32	149.90	0.58	??	0.97	35
EUG08-012	140.22	140.75	0.53	alto2	3.79	1210
	140.75	141.15	0.40	alto2	5.29	1430
	141.15	141.64	0.49	alto2	6.35	1820
	141.64	142.32	0.68	alto2	0.01	4
	142.32	143.24	0.92	alto2	0.02	4
	143.24	143.44	0.20	alto2	0.04	9
	143.44	145.38	1.94	alto2	0.00	0
	145.38	145.73	0.35	alto2	0.46	84
	145.73	146.32	0.59	alto2	3.34	676
	146.32	147.13	0.81	alto2	0.49	152
	156.96	157.31	0.35	alto1	0.96	309
	157.31	158.89	1.58	alto1	1.27	425
	158.89	160.42	1.53	alto1	0.04	19
	160.42	162.25	1.83	alto1	0.28	77
	162.25	162.54	0.29	alto1	1.99	854
EUG08-013	153.92	154.24	0.32	madre	3.09	671
EUG08-014	134.13	134.42	0.29	alto1	3.13	1210
	134.42	135.50	1.08	alto1	0.21	76
	135.50	136.10	0.60	alto1	0.04	10
	136.10	136.40	0.30	alto1	0.86	215
	136.40	137.11	0.71	alto1	0.50	121
	137.11	138.67	1.56	alto1	0.31	104
	148.70	149.28	0.58	madre	3.18	663
	149.28	150.98	1.70	madre	0.92	239
EUG08-015	134.61	135.01	0.40	alto1	0.73	242
	135.01	136.69	1.68	alto1	0.05	4
	136.69	137.50	0.81	alto1	0.99	216
	137.50	138.00	0.50	alto1	2.02	518
	138.00	139.11	1.11	alto1	0.69	234
	139.11	140.78	1.67	alto1	0.03	12
	140.78	141.03	0.25	alto1	46.20	11815
	141.03	141.36	0.33	alto1	0.06	12
	141.36	141.81	0.45	alto1	40.50	11100
	141.81	142.39	0.58	alto1	0.26	67
	142.39	142.76	0.37	alto1	28.20	11375
	142.76	143.79	1.03	alto1	1.17	357
	143.79	144.48	0.69	alto1	2.99	754
	144.48	145.05	0.57	alto1	2.35	897
	145.05	145.65	0.60	alto1	1.68	594
	145.65	146.21	0.56	alto1	0.00	8
	146.21	146.93	0.72	alto1	0.04	13
	146.93	147.51	0.58	alto1	31.80	7610
	147.51	148.06	0.55	alto1	0.04	11

	148.06	148.60	0.54	alto1	0.78	289
	148.60	149.20	0.60	alto1	0.28	110
	149.20	149.97	0.77	alto1	4.88	1330
	149.97	150.55	0.58	alto1	2.49	590
	150.55	151.15	0.60	alto1	0.01	5
	151.15	151.70	0.55	alto1	0.06	20
	151.70	152.47	0.77	alto1	0.48	162
	160.88	161.15	0.27	??	1.04	341
EUG08-016	268.70	269.29	0.59	bajo1	0.03	114
	271.36	271.80	0.44	bajo1	0.02	162
EUG08-021	156.70	157.55	0.85	alto2	8.00	1540
	189.54	189.97	0.43	madre	0.19	89
	194.65	194.99	0.34	madre	0.42	106
	199.29	199.76	0.47	madre	0.53	62
EUG08-024	121.14	121.51	0.37	??	0.50	262
	162.77	163.26	0.49	alto2	10.00	3710
	163.66	164.40	0.74	alto2	3.30	1070
EUG08-033	144.60	146.73	2.13	alto2	2.57	98
	289.66	291.45	1.79	madre	0.42	283
EUG08-035	161.08	161.38	0.30	??	2.02	1120
UG08-043	0.00	1.50	1.50	alto2	1.06	316
	19.95	21.80	1.85	madre	0.34	100
	21.80	23.70	1.90	madre	0.34	114
	23.70	24.70	1.00	madre	0.05	17
	24.70	25.70	1.00	madre	2.08	382
	25.70	26.70	1.00	madre	0.44	100
	26.70	28.20	1.50	madre	0.27	73
	28.20	29.65	1.45	madre	2.50	602
	29.65	30.75	1.10	madre	0.08	34
	30.75	31.25	0.50	madre	0.06	32
	31.25	32.45	1.20	madre	1.39	819
UG08-049	0.00	1.50	1.50	alto2	1.30	436
	1.50	3.00	1.50	alto2	3.65	1020
	36.80	38.30	1.50	alto1	0.37	162
	44.05	45.75	1.70	madre	0.73	354
	45.75	47.25	1.50	madre	0.26	108
	47.25	49.60	2.35	madre	0.63	280
UG08-051	16.70	18.20	1.50	madre	0.52	187
	18.20	19.70	1.50	madre	0.32	89
	19.70	21.20	1.50	madre	1.01	204
	21.20	22.70	1.50	madre	0.19	0
	22.70	24.20	1.50	madre	1.41	285
	24.20	25.70	1.50	madre	0.24	160
	25.70	27.75	2.05	madre	1.10	287

	27.75	28.25	0.50	madre	0.00	126
	28.25	30.90	2.65	madre	0.39	251
	30.90	32.40	1.50	madre	2.21	851
	32.40	34.00	1.60	madre	0.24	214
	34.00	35.20	1.20	madre	0.32	115
	35.20	36.40	1.20	madre	1.64	694
	36.40	38.60	2.20	madre	9.28	3770
	38.60	40.25	1.65	madre	0.91	589
	40.25	41.80	1.55	madre	0.16	81
	41.80	43.15	1.35	madre	0.74	130
	43.15	44.70	1.55	madre	0.05	127
	44.70	46.05	1.35	madre	0.02	113
UG08-067	32.95	34.45	1.50	alto1	0.21	144
UG09-072	33.65	37.65	4.00	alto1	0.57	185
UG08-069	20.15	20.95	0.80	alto1	6.43	1120
	20.95	22.30	1.35	alto1	4.09	573
	22.30	23.15	0.85	alto1	2.07	812
UG09-074	0.00	1.50	1.50	alto2	1.32	359
UG09-073	17.20	18.90	1.70	alto1	15.80	5890
	18.90	19.85	0.95	alto1	0.50	142
	19.85	21.05	1.20	alto1	8.62	379
	21.05	21.80	0.75	alto1	62.60	14500
	21.80	22.45	0.65	alto1	73.50	16400
	22.45	23.45	1.00	alto1	1.15	332
	23.45	24.05	0.60	alto1	36.50	7290
	24.05	25.75	1.70	alto1	1.75	538
	25.75	27.00	1.25	alto1	1.08	902
UG09-074	17.45	18.75	1.30	alto1	0.40	124
UG09-075	19.35	24.40	5.05	alto1	0.29	118
	32.45	33.15	0.70	madre	0.74	285
	33.15	33.95	0.80	madre	1.85	574
	33.95	38.65	4.70	madre	2.04	919
	38.65	41.35	2.70	madre	2.37	843
	41.35	43.80	2.45	madre	1.61	562
UG09-076	35.50	37.50	2.00	madre	0.28	187
	37.50	39.90	2.40	madre	3.33	1080
	39.90	40.20	0.30	madre	0.03	6
	40.20	41.40	1.20	madre	0.24	102
	41.40	42.60	1.20	madre	1.00	477
UG08-056	7.50	9.00	1.50	alto2	0.77	252

12.0 SAMPLING METHOD AND APPROACH

Core from underground drillholes was transported to surface and delivered by mine personnel to a secure core logging facility within the mine complex. Core was washed, measured for recovery and RQD, and then geologically logged.

After logging, core was marked for sawing. With minor exceptions, the full length of the core was sampled (generally at sample lengths of about 1.2 m) but, where appropriate, lengths were determined by geological boundaries. Sample lengths from exploration drillholes ranged from 5 cm to 3.42 m and samples from production drillholes ranged in length from 1 cm to 5.4 m.

In total, 5,853 samples were collected from 37 underground exploration drillholes. An additional 417 samples were collected from 13 underground drillholes that were drilled for production purposes but within the volume of the resource estimate. Collectively, these drillholes tested an area about 400 m along strike and 300 m vertically.

Core was sawn in half lengthwise; half was returned to the corebox for archival purposes and the other half was placed in numbered sample bags for assaying. Bagged samples were then transported to the assay laboratory, located within the mine complex.

13.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

Core samples were collected within a secure facility and were stored there until delivered to the assay laboratory. No extraordinary security measures were employed.

Samples were collected by employees of MMR, a wholly-owned subsidiary of Great Panther. All further processing and analyses were undertaken by employees of the assay laboratory.

The assay laboratory is owned by MMR but is operated by SGS de Mexico, S.A de C.V., a wholly-owned subsidiary of SGS S.A. This laboratory is not certified but has been audited by a certified assayer.

Samples were consistently assayed for silver and gold, and less consistently for lead, zinc, copper, arsenic, and antimony.

Gold was analyzed by fire assay with an atomic absorption finish. Samples containing more than 10 g of gold were re-assayed gravimetrically. For samples containing up to 300 g/t, silver was assayed by atomic absorption. Samples containing more than 300 g/t silver were re-assayed gravimetrically. Lead, zinc, copper, arsenic, and antimony were assayed by atomic absorption.

Great Panther employed duplicates (367 or 5.7% of the sample population), standards (202, or 3.1% of the sample population), and blanks (103 or 1.6% of the sample population) in their sampling procedure. Duplicates were obtained by quartering the half-core portion that was cut for assaying.

Wardrop is of the opinion that the sampling, sample preparation, security, and analytical procedures are consistent with industry practice and are adequate.

14.0 DATA VERIFICATION

The quality assurance/quality control (QA/QC) dataset for the exploration drillholes included assays for 367 duplicate pairs. The correlation coefficient for silver is 0.36, indicating that 60% of the variance in one sample set is accounted for by variance in the other set. The correlation coefficient for gold is 0.45, a covariance of about 67%. These correlations are considered low given that the samples are quarter cores and probably indicative of high natural variability. Because the sample populations were incomplete, correlations between other elements were not calculated.

Five samples were out of bounds (two standard deviations above or below zero) for silver: two were too low (both from drillhole EUG07-002) and two were too high (both from drillhole EUG08-037). Four samples were out of bounds (two standard deviations above or below zero) for gold: one was too low (from drillhole EUG07-002), and three were too high (from drillholes EUG08-030 and 037).

Figure 14.1 is a plot of the mean versus differences of silver duplicates showing the band contained within two standard deviations of the average of the two sample populations. Figure 14.2 is a similar plot of the mean versus differences for gold duplicates.

Two standards were employed as part of the Cata Clavo quality control program. Both were prepared by SGS Lakefield, Ontario, Canada. Lakefield provided the value of the expected mean for gold and silver, as well as the expected upper and lower analytical limits. Although the mean values for gold and silver of all the assays of standards are acceptably close to the expected mean, numerous assay values fall outside the indicated lower and upper limits. However, only one of the assays of the GTS1 standard (from drillhole EUG08-035) exceeded the expected mean silver value by two standard deviations of the assay population, and two samples (one each from drillhole EUG07-002 and EUG08-035) exceeded the expected mean value for gold by two standard deviations of the assay population. None of the assays of the GTS2 standard exceed two standard deviations of the expected mean.

Blanks were prepared from crushed locally obtained rhyolite, and were expected to have negligible contents of silver and gold. Of the 103 samples for which information was received, only two exceed the mean plus two standard deviations of the population of blanks for gold (0.07 g/t). The out-of-bounds samples were from holes EUG08-015 and 031. Four samples exceeded the mean plus two standard deviations for silver – two from hole EUG08-15, and one each from EUG07-02 and EUG08-15.

It is considered noteworthy that all the out-of-bound events are confined to only a few drillholes (EUG07-001, 002, and EUG08-15, 31, 35, and 37) suggesting the aberrations are due to analytical error rather than natural variability of metal content.

Great Panther reviewed the assays of control samples as received and initiated re-analysis for any batches that fell out of bounds.

Wardrop did not collect any samples during the site visit as the Property is an operating mine that is manifestly producing both gold and silver from the ores that are being extracted from the areas of interest.

Wardrop considers that the QA/QC employed at the Guanajuato mine meets industry standards and the resultant data is acceptable for the purposes of this resource estimate.

Figure 14.1 Exploration Drillholes – Mean vs. Differences of Silver Values for Duplicate Pairs

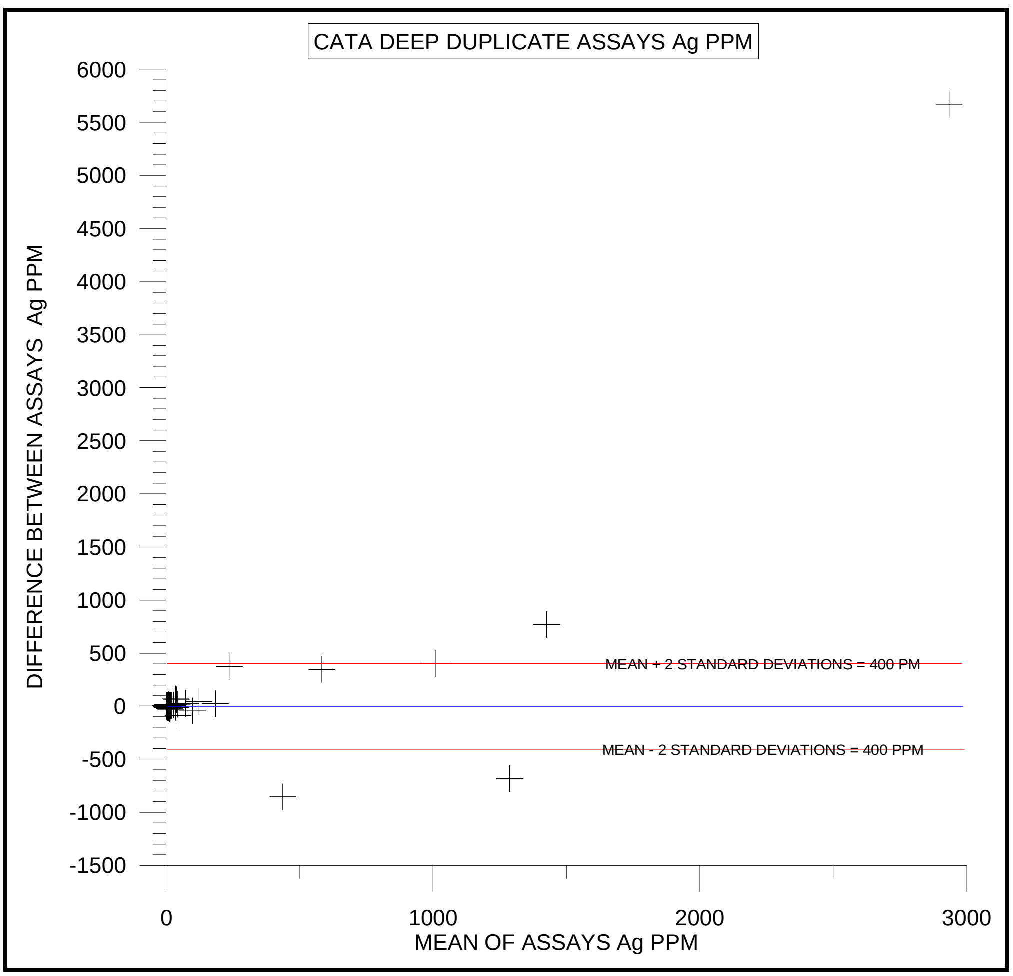
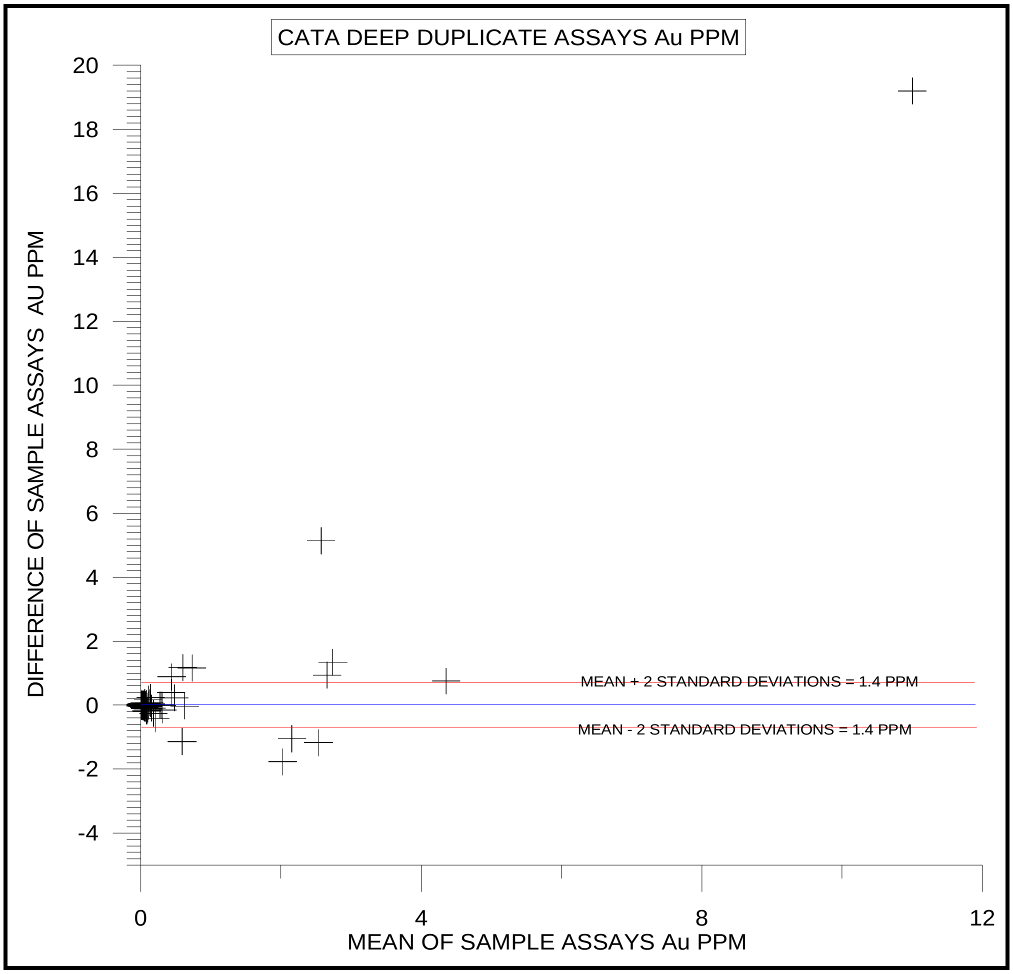


Figure 14.2 Exploration Drillholes – Mean vs. Differences of Gold Values for Duplicate Pairs



15.0 ADJACENT PROPERTIES

The Guanajuato Property contains about 4 km of the Veta Madre vein system and is located near the mid-point of the 25-km strike length of the vein. Mineralization that exists or was mined from other portions of the Veta Madre is, in essential respects, similar to that within the Cata Vein portion.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The Cata Vein system is one of three zones currently being mined by Great Panther at the Guanajuato Property. Ore mined from the Cata Vein system or zone is hoisted from underground to surface where it is transferred to the Cata plant.

Ore from all other zones is milled at the central Cata processing plant using conventional crushing, grinding, milling, flotation and concentrate dewatering circuits. The metallurgical performance has been consistently improved over the last 18 months and is unaffected by the blend ratios of ore from the various zones.

The Cata processing plant is designed to recover sulphides containing silver and gold and has a maximum capacity of 1,200 tonnes per day. The mill currently operates at a rate of 900 tonnes per day for 3 to 4 days per week. During the 6-month period ending June 2009, the metallurgical balance showed the average silver recovery to be 84.0% and gold recovery to be 83.3%. Both silver and gold are recovered as components of a sulphide concentrate containing pyrite and silver sulphide minerals.

The process flow sheet for the Cata plant is illustrated in Figure 16.1. The process may be separated into sections and described as follows:

1. Crushing:

The purpose of the crushing section of the plant is to reduce all run-of-mine ore such that the product of the crushing plant, the fine ore, or ball mill feed, contains rock particles that are less than ½-inch in size. This is accomplished with three stages of crushing and screening.

Run of mine ore is passed through a coarse ore screen, or grizzly, into the 1000 tonne coarse ore bin, (2), using a backhoe-mounted rock-hammer to break the oversize. The coarse ore contains rocks of a size no greater than 18-inches and is fed from the bin by apron feeder, (3), over a vibrating grizzly, (4), to the Pettibone (24 x 36-inch) primary jaw crusher, (5). It is crushed so that all crushed ore is of a particle size less than 4 – inches. The purpose of the vibrating grizzly is to remove the less than 4-inch material from the feed to the primary jaw crusher by-passing it directly to the secondary crusher. The product of the primary jaw crusher is passed through the Symons (4-ft standard head) secondary cone crusher, (7), which further reduces the particle size to no greater than 1-inch. The secondary crusher product is conveyed to the Allis Chalmers (6 x 16-ft) vibratory screen, (9), where material, passing through the ½-inch mesh, is conveyed to the fine ore bins, (11). Material passing over the screen is fed to the Symons (5½-ft short head) tertiary cone crusher, (10), with a design product size of no greater than ½-inch and the product is conveyed back to the vibratory screen until all ore particles are less than ½-inch and passes through the screen.

2. Grinding:

The purpose of the grinding section of the plant is to reduce the fine ore to a slurry containing particles that are small enough so that at least 64% pass a mesh size of 74 microns. In this way the ore is ground fine enough to liberate the valuable sulphide minerals containing silver and gold from the waste minerals or gangue. This is accomplished using three ball mills, two spiral classifiers and one cyclone.

Fine ore is fed from the fine ore bins to the three Denver (7 x 14-ft) ball mills, (12), operating in parallel where water is added and the ore is reduced by the grinding action of the balls. The product of each ball mill is classified by size by passing it through either one of two spiral classifiers, (13), or the hydrocyclone classifier, (13A), such that the product of the grinding circuit, the flotation feed, contains particles the size of very fine sand where at least 64% is less than 74 microns.

3. Flotation:

The purpose of the flotation circuit is to separate the valuable minerals containing silver and gold from the waste or gangue minerals. This is accomplished by adding reagents to the flotation feed and passing it through a series of flotation cells in which the valuable sulphide minerals adhere to air bubbles and float to the surface of the cell to spill or decant over the top edge of the cells and into the product launders.

The first three cells are known as the primary rougher cells, (14); the product from these is final concentrate quality and flows directly to the concentrate dewatering section. The following seven cells are the secondary rougher cells, (15), and the product flows to the cleaner cells for upgrading.

The cleaning section consists of two banks of three cells, (16 and 17), such that the product from the first bank is of sufficient quality and flows to the concentrate dewatering section while the product of the second bank is recirculated back to the first bank. The slurry that emerges as the waste product of the cleaning cells is a low grade, or middling product, that is pumped back to the grinding circuit and recirculated. The next bank of cells in series is the eight scavenger cells, (18), which produce a low grade, or middling, product containing both gangue and sulphide minerals. This is pumped back to the grinding circuit to be reground for an improved liberation of the sulphide from the gangue mineral. The rest of the slurry continues to flow from one cell to the next in series such that the unfloated material represents the waste products or tailings which are pumped, (22), to a tailings management facility.

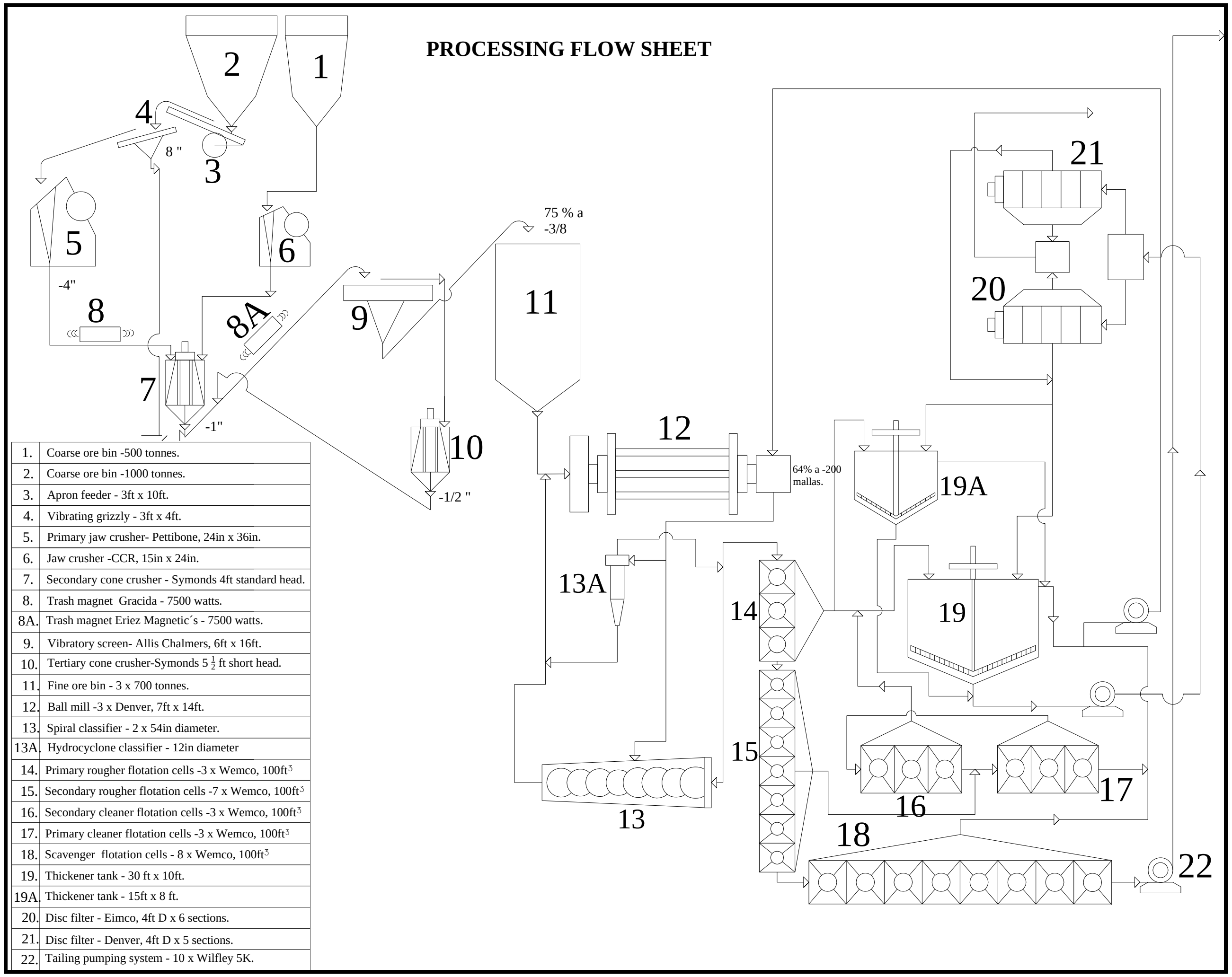
4. Dewatering:

The purpose of the dewatering section is to produce a concentrate which has a moisture content which is low enough to be acceptable for shipping and which is high enough to prevent dust losses. This is achieved using a thickener and disc filters.

The slurry containing concentrate quality mineral is fed to the thickener, (19), the first dewatering stage where the particles settle to the bottom and clear water is decanted from the top. A high density pulp is pumped from the base of the thickener to the disc filter, (20), for final drying. The concentrate product of the filter typically contains between 11 to 14% moisture. This is ready for transportation by truck to a copper smelter at San Luis Potosi where it is sold.

Metallurgical testwork was conduct independently in 2008 by G & T Metallurgical Services Ltd. of Kamloops, B.C. under the guidance of a Senior Consulting Metallurgist, Ken Major. Typical blends of ore representing mill feed were tested. The results indicated metal recoveries of between 82 and 85% for silver and around 83% for gold. The testwork demonstrated potential for improvement in metallurgical performance by regrinding to a particle size of 80% passing a mesh of 24 microns and the investment required to accomplish this improvement is included as part of the Great Panther's 3-year growth strategy.

Figure 16.1 Process Flow Sheet for Cata Plant



1.	Coarse ore bin -500 tonnes.
2.	Coarse ore bin -1000 tonnes.
3.	Apron feeder - 3ft x 10ft.
4.	Vibrating grizzly - 3ft x 4ft.
5.	Primary jaw crusher- Pettibone, 24in x 36in.
6.	Jaw crusher -CCR, 15in x 24in.
7.	Secondary cone crusher - Symonds 4ft standard head.
8.	Trash magnet Gracida - 7500 watts.
8A.	Trash magnet Eriez Magnetic´s - 7500 watts.
9.	Vibratory screen- Allis Chalmers, 6ft x 16ft.
10.	Tertiary cone crusher-Symonds 5 $\frac{1}{2}$ ft short head.
11.	Fine ore bin - 3 x 700 tonnes.
12.	Ball mill -3 x Denver, 7ft x 14ft.
13.	Spiral classifier - 2 x 54in diameter.
13A.	Hydrocyclone classifier - 12in diameter
14.	Primary rougher flotation cells -3 x Wemco, 100ft^3
15.	Secondary rougher flotation cells -7 x Wemco, 100ft^3
16.	Secondary cleaner flotation cells -3 x Wemco, 100ft^3
17.	Primary cleaner flotation cells -3 x Wemco, 100ft^3
18.	Scavenger flotation cells - 8 x Wemco, 100ft^3
19.	Thickener tank - 30 ft x 10ft.
19A.	Thickener tank - 15ft x 8 ft.
20.	Disc filter - Eimco, 4ft D x 6 sections.
21.	Disc filter - Denver, 4ft D x 5 sections.
22.	Tailing pumping system - 10 x Wilfley 5K.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

The Cata Clavo mineral resource estimate was prepared by Greg Z. Mosher, P.Geo., a Senior Geologist with Wardrop under the supervision of Gilles Arseneau, who at the time was Manager of Geology for Wardrop.

17.1 EXPLORATORY DATA ANALYSIS

17.1.1 ASSAYS

Wardrop received three datasets in Excel format from Great Panther that contained collar coordinates, survey data, geological descriptions, and assays:

- Underground Exploration (37 drillholes; 5,852 samples)
- Underground Production (50 drillholes, 13 of which intersect the modelled solids; 417 out of 1,555 samples)
- 430 and 460 Level production samples (1,414 samples).

Great Panther also provided three-dimensional drawings of the three mineralized zones, underground access, and workings.

The data were imported into Gemcom (Gems 6.2) and tested for errors in hole labelling, and hole and sample length. A few of the sample intervals contained minor transposition errors which were corrected.

The underground exploration and production drill samples were assayed for gold and silver; the exploration holes were also commonly assayed for copper, lead, zinc, arsenic, and antimony. However, as only gold and silver are of economic interest, the estimation was restricted to those two elements.

NOTE: Although the 430 and 460 Level production assays were used as an aid in modelling the geological solids, they were not used in the interpolation and estimation procedure. Only exploration and production drill data were used as the basis of the resource estimate.

17.1.2 CAPPING

Capping (the reduction of extreme values to some calculated lower value) is considered warranted if the following conditions are met within the dataset:

1. When the data are divided into declies, the uppermost decile contains more than 40% of total metal or the uppermost decile contains more than 2.3 times the metal quantity contained within the penultimate decile.
2. When the data are divided into centiles, the uppermost centile contains more than 10% of total metal or the uppermost centile contains more than 1.75 times the metal quantity contained within the penultimate centile.

These conditions are met by both the gold and silver assay populations in the exploration and production drillhole data. Within the exploration drillhole dataset, the uppermost decile contains 95% of the aggregate silver in all the assays and the uppermost centile contains 82%. The uppermost decile contains 91% of the aggregate gold and the uppermost centile contains 76%. These populations are obviously heavily biased. There are two reasons: both populations contain a large number of very low values, and both contain a small number of relatively extremely high values.

The uppermost decile of the production drillhole dataset contains 86% of the aggregate silver values and the uppermost centile contains 64%. The uppermost decile contains 85% of the aggregate gold values and the uppermost centile contains 63%. These percentages are lower than for the exploration dataset because the production drillholes tested a better-defined, more homogenous target than did the exploration drillholes and the resultant assay data are less variable. Both the skewness and kurtosis of the production drillhole dataset are about half those of the exploration dataset.

The least subjective method by which to obtain a capping level is to construct a plot of mean population values calculated for a range of capping values, starting with the actual highest value and progressively substituting lower values for each assay that exceeds that value. The capping level is then established as the point of maximum inflection on this curve. For the exploration drillhole dataset, silver was capped at 1,300 g/t and gold at 7.5 g/t. The corresponding curves are shown below in Figure 17.1 and Figure 17.2.

Using the same approach for the production drillhole assay dataset, silver was capped at 4,000 g/t and gold at 15.5 g/t (Figure 17.3 and Figure 17.4). For the exploration drillhole dataset, capping reduced the aggregate silver value by 40% and gold by 27%. For the production drillhole dataset, the aggregate value of silver was reduced by 24% and gold by 22%.

Figure 17.1 Silver Capping Curve for Exploration Drillhole Assays

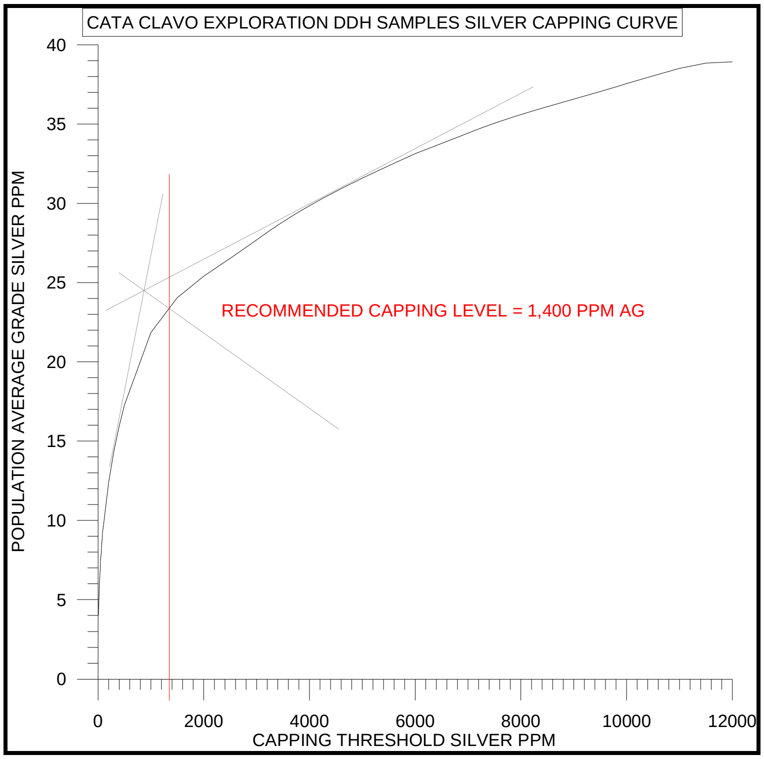


Figure 17.2 Gold Capping Curve for Exploration Drillhole Assays

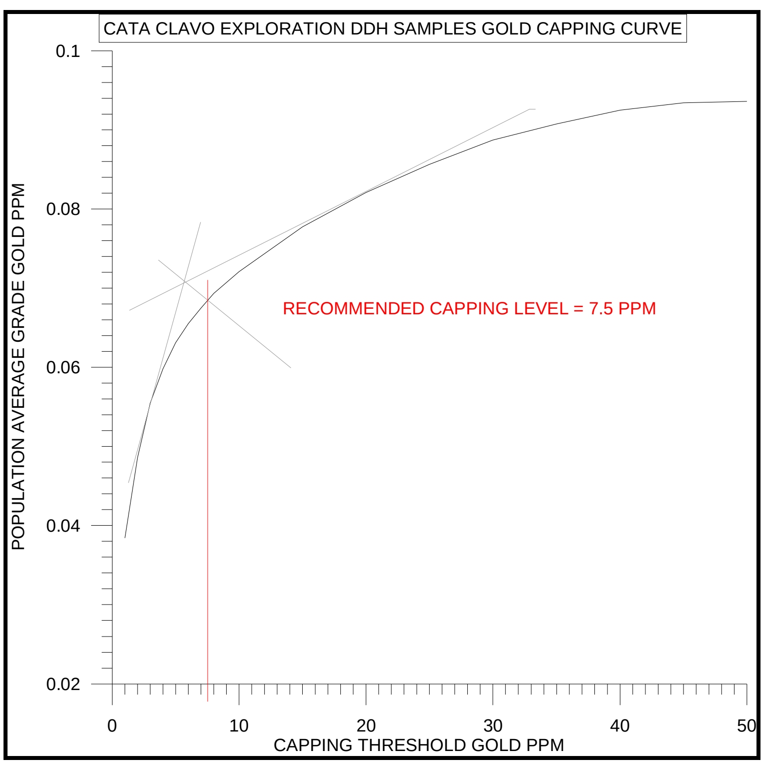


Figure 17.3 Silver Capping Curve for Production Drillhole Assays

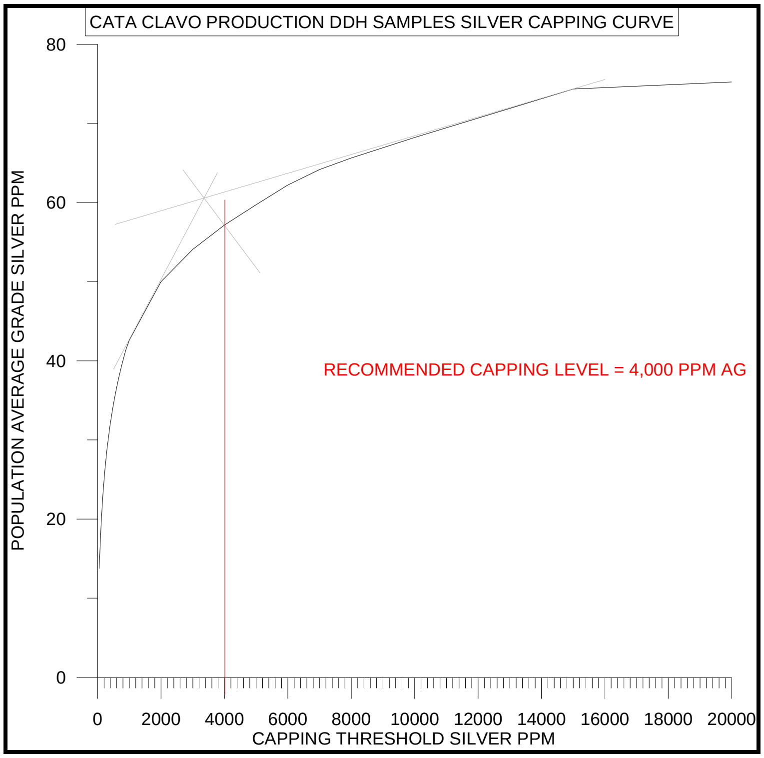
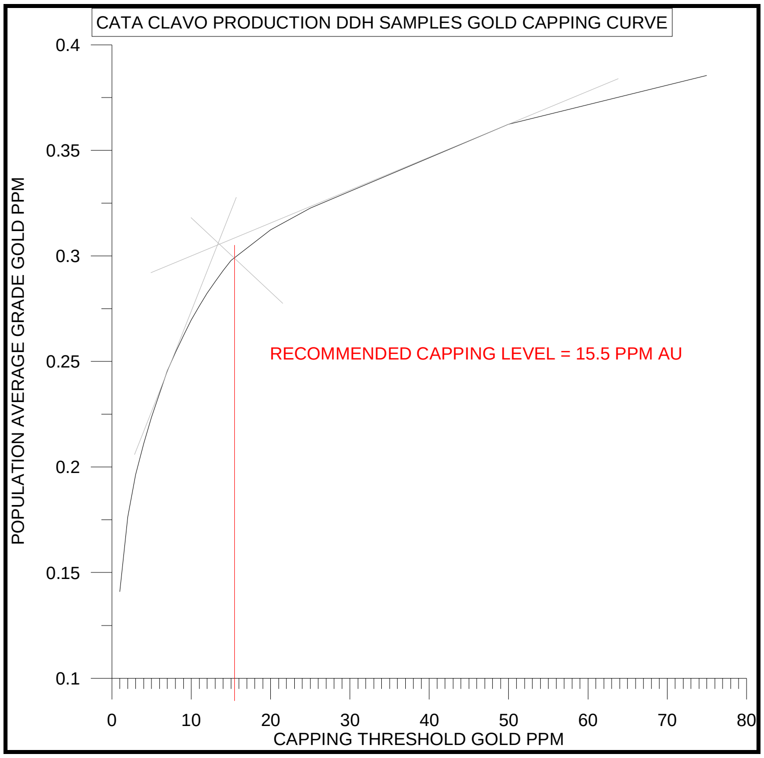


Figure 17.4 Gold Capping Curve for Production Drillhole Assays



17.1.3 COMPOSITES

Sample lengths are composited to a common length to overcome the influence of varying sample lengths on the relative significance of sample grade. If sample length is ignored, a short sample would have a proportionately greater influence on the estimation outcome that would a longer sample. By normalizing sample length, compositing overcomes this potential distortion. Of the 5,853 samples in the exploration dataset, 2.5% exceed 2 m in length and the rest are less than that length, with a mean value of 1.2 m. A composite length of 2 m was chosen as the shortest length that would not result in the splitting of a large number of samples that exceed that length. No composite samples were rejected during the compositing process. But afterward, samples less than 1 m in length were discarded manually unless the sample in question was the only one in a given drillhole within one of the three zones for which estimates were carried out (see Section 17.3). This selective process eliminated 13 samples.

In the production drillhole dataset, about 8% of the samples exceed 2 m in length and about 2% exceed 3 m in length. A composite length of 3 m was chosen for this dataset.

17.2 BULK DENSITY

Great Panther made 68 specific gravity measurements from samples of drill core from holes EUG07-010, 011, and 012. A variety of rock types was included in the sample selection. The average of all measurements was 2.61 g/cm^3, which was rounded to 2.6 g/cm^3 for the resource estimation.

17.3 GEOLOGICAL INTERPRETATION

The Cata Clavo Zone is comprised of three parallel sheet-like veins or vein sets [Madre (lowermost), Alto 1, and Alto 2 (uppermost)] that strike 235° and dip about 45° to the southwest. The vein zones vary in thickness from less than 1 m to a maximum of about 20 m but are generally between about 1 to 2 m thick and are separated by about 20 m of unmineralized rock. A portion of the Madre and Alto 1 veins are linked by a shallow-dipping cross structure that is also mineralized.

Great Panther provided Wardrop with models of the three zones. Wardrop assessed these models for reasonableness with respect to the data and ensured that the models did not overlap in space. Each solid was given a unique code so that resources from each solid could be reported separately.

17.4 Spatial Analysis

Variographic analysis was attempted using Sage2001 software and the composite dataset but the results were inconsistent with the known orientation of the vein sets. A calculated search ellipse was therefore abandoned in favour of a subjective shape with strike and dip dimensions of 50 m (consistent with the drill collar spacing) and a thickness of 10 m. This ellipse has a strike of 235° and a dip of -45°, parallel to the dip of the veins.

17.5 Resource Block Model

The block model is comprised of blocks measuring 5 m length by 5 m width by 3 m thickness (x=5, y=5, z=3). The origin is the uppermost southwest corner of the block model and is located at grid coordinates x = 700, y=-2800, z=1700. There are 80 columns (x), 60 rows (y), and 100 levels (z). The block model has been rotated 55° clockwise to align the rows parallel to the strike of the veins.

17.6 Interpolation Plan

The Cata Clavo resource was estimated by two methods: inverse distance squared (ID2) and nearest neighbour (ID5). The ID2 estimate is considered the more representative of the two; the ID5 estimate was carried out as a check of reasonableness of the ID2 estimate results. The contained resource of each of the three veins (Madre, Cata 1, and Cata 2) was estimated separately. Capped and uncapped silver and gold values were interpolated into each block.

17.7 Mineral Resource Classification

Resources were classified as indicated or inferred. For a block to be classified as indicated, it was necessary that the interpolated grade in that block was based upon a minimum of three and a maximum of six samples, with a maximum of one sample from a single drillhole, thereby requiring a minimum of three drillholes within the range of the search ellipse. For a block to be classified as inferred, it was necessary that the interpolated grade was based upon a minimum of two and a maximum of six samples, with a maximum of one sample from a single drillhole, thereby requiring a minimum of two drillholes within the range of the search ellipse.

17.8 Mineral Resource Tabulation

The ID2 and ID5 estimates are tabulated in Table 17.1 and Table 17.2. The resource is tabulated in terms of NSR per tonne (NSR = net revenue minus net costs) of the contained gold and silver. The NSR was calculated in the following manner:

NSR = ((Ag Grade * Dilution * Ag Recovery * Ag Price) +
(Au Grade * Dilution * Au Recovery * Au Price))

Where:

- silver and gold grades are in grams per tonne
- silver recovery (mill + smelter) = 75%
- gold recovery (mill + smelter) = 75%
- silver price = US$12.50/oz or US$0.40/g
- gold price = US$893/oz or US$28.71/g
- 1 oz = 31.10348 g
- dilution = 15% (in the above equation, dilution = 1/1.15 = 0.87).

Metal prices are the average for April 2009 and were obtained from www.metalprices.com.

Great Panther has provided information regarding metal recoveries, operating costs, and contract metal prices. Great Panther estimates that mining and milling costs specific to the Cata mining operation are about US$52/t mined. In the resource tabulation presented in Table 17.1 and Table 17.2, the base case (highlighted in yellow) is taken as the resource with an estimated NSR of US$37.50.

Table 17.1 Cata Clavo ID2 Resource Estimate

INDICATED	THRESHOLD	TONNES	AU	AU CAP	AG	AG CAP
	US$		g/t	g/t	g/t	g/t
ALTO 2	200.00	4,697	2.87	2.87	837	750
ALTO 2	175.00	6,198	2.72	2.70	802	707
ALTO 2	150.00	7,831	2.55	2.52	756	660
ALTO 2	125.00	11,728	2.24	2.21	662	577
ALTO 2	100.00	15,900	2.00	1.97	591	514
ALTO 2	75.00	23,617	1.70	1.68	489	428
ALTO 2	50.00	34,183	1.46	1.43	396	349
ALTO 2	37.50	39,509	1.36	1.33	359	318
ALTO 1	200.00	15,958	9.88	3.43	2,699	1,069
ALTO 1	175.00	21,985	8.17	3.20	2,200	921
ALTO 1	150.00	27,940	7.05	2.97	1,884	824
ALTO 1	125.00	38,420	5.65	2.61	1,517	710
ALTO 1	100.00	52,949	4.57	2.28	1,227	606
ALTO 1	75.00	64,287	3.97	2.06	1,070	546
ALTO 1	50.00	82,416	3.26	1.75	883	467
ALTO 1	37.50	96,739	2.85	1.55	776	419
MADRE	200.00	18,662	2.50	2.50	967	967
MADRE	175.00	25,112	2.29	2.29	873	873
MADRE	150.00	38,527	2.02	2.02	748	748
MADRE	125.00	54,066	1.81	1.81	656	656
MADRE	100.00	86,500	1.53	1.53	541	541
MADRE	75.00	126,502	1.31	1.31	457	457
MADRE	50.00	182,385	1.09	1.09	377	377
MADRE	37.50	215,746	0.99	0.99	339	339
TOTAL INDICATED @ US$37.50 NSR		**351,995**	**1.55**	**1.19**	**462**	**359**
INFERRED	**THRESHOLD**	**TONNES**	**AU**	**AU CAP**	**AG**	**AG CAP**
	US$		g/t	g/t	g/t	g/t
ALTO 2	200.00	96	3.20	3.20	932	836
ALTO 2	175.00	507	2.54	2.31	840	611
ALTO 2	150.00	1,172	2.24	2.06	733	544
ALTO 2	125.00	1,706	2.09	1.90	693	502
ALTO 2	100.00	2,289	1.92	1.74	641	459
ALTO 2	75.00	3,333	1.67	1.51	556	398
ALTO 2	50.00	3,811	1.58	1.43	518	370
ALTO 2	37.50	4,326	1.48	1.35	473	340
ALTO 1	200.00	58	2.09	2.09	640	640
ALTO 1	175.00	58	2.09	2.09	640	640
ALTO 1	150.00	58	2.09	2.09	640	640
ALTO 1	125.00	58	2.09	2.09	640	640
ALTO 1	100.00	848	1.15	1.15	378	378
ALTO 1	75.00	1,587	1.03	1.03	336	336
ALTO 1	50.00	6,070	0.69	0.69	233	233
ALTO 1	37.50	8,155	0.62	0.62	209	209
MADRE	200.00	1,105	2.32	2.32	793	793
MADRE	175.00	1,780	2.09	2.09	713	713
MADRE	150.00	2,606	1.92	1.92	649	649
MADRE	125.00	4,422	1.75	1.75	552	552
MADRE	100.00	5,795	1.60	1.60	509	509
MADRE	75.00	7,057	1.47	1.47	465	465
MADRE	50.00	9,573	1.25	1.25	389	389
MADRE	37.50	11,752	1.10	1.10	340	340
TOTAL INFERRED @ US$37.50 NSR		**24,233**	**1.01**	**0.98**	**319**	**296**

Table 17.2 Cata Clavo ID5 Estimate

INDICATED	THRESHOLD	TONNES	AU	AU CAP	AG	AG CAP
	US$		g/t	g/t	g/t	g/t
ALTO 2	200.00	9,573	3.23	3.23	942	845
ALTO 2	175.00	11,984	3.06	3.02	906	791
ALTO 2	150.00	13,955	2.89	2.86	858	749
ALTO 2	125.00	17,088	2.66	2.63	782	686
ALTO 2	100.00	19,534	2.50	2.47	728	642
ALTO 2	75.00	23,956	2.39	2.35	637	562
ALTO 2	50.00	28,694	2.18	2.13	561	496
ALTO 2	37.50	34,409	1.93	1.89	488	433
ALTO 1	200.00	18,775	10.52	4.06	2,781	1,098
ALTO 1	175.00	21,706	9.63	3.85	2,542	1,022
ALTO 1	150.00	28,390	8.03	3.41	2,119	893
ALTO 1	125.00	35,454	6.81	3.04	1,804	797
ALTO 1	100.00	45,978	5.59	2.64	1,492	694
ALTO 1	75.00	58,055	4.72	2.34	1,248	602
ALTO 1	50.00	77,059	3.72	1.92	994	502
ALTO 1	37.50	86,981	3.36	1.76	898	460
MADRE	200.00	35,243	2.70	2.70	1,027	1,027
MADRE	175.00	42,070	2.53	2.53	958	958
MADRE	150.00	53,344	2.34	2.34	863	863
MADRE	125.00	63,156	2.18	2.18	797	797
MADRE	100.00	88,475	1.87	1.87	669	669
MADRE	75.00	124,528	1.57	1.57	554	554
MADRE	50.00	163,481	1.34	1.34	469	469
MADRE	37.50	193,108	1.21	1.21	418	418
TOTAL INDICATED @ US$37.50 NSR		**314,499**	**1.88**	**1.36**	**539**	**412**
INFERRED	**THRESHOLD**	**TONNES**	**AU**	**AU CAP**	**AG**	**AG CAP**
	US$		g/t	g/t	g/t	g/t
ALTO 2	200.00	125	3.34	3.34	973	873
ALTO 2	175.00	1,233	2.55	2.30	853	607
ALTO 2	150.00	1,693	2.40	2.18	801	576
ALTO 2	125.00	1,906	2.34	2.12	778	559
ALTO 2	100.00	2,294	2.20	1.99	736	524
ALTO 2	75.00	2,633	2.07	1.86	694	492
ALTO 2	50.00	3,112	1.94	1.75	621	439
ALTO 2	37.50	3,477	1.80	1.62	568	405
ALTO 1	200.00	34	2.08	2.08	637	637
ALTO 1	175.00	58	2.06	2.06	631	631
ALTO 1	150.00	58	2.06	2.06	631	631
ALTO 1	125.00	58	2.06	2.06	631	631
ALTO 1	100.00	1,453	1.17	1.17	386	386
ALTO 1	75.00	2,519	1.02	1.02	336	336
ALTO 1	50.00	6,512	0.74	0.74	255	255
ALTO 1	37.50	7,413	0.70	0.70	241	241
MADRE	200.00	1,771	2.50	2.50	852	852
MADRE	175.00	2,113	2.38	2.38	808	808
MADRE	150.00	3,170	2.25	2.25	698	698
MADRE	125.00	3,833	2.09	2.09	652	652
MADRE	100.00	5,037	1.86	1.86	579	579
MADRE	75.00	6,196	1.68	1.68	522	522
MADRE	50.00	8,688	1.39	1.39	426	426
MADRE	37.50	11,027	1.20	1.20	363	363
TOTAL INFERRED @ US$37.50 NSR		**21,917**	**1.13**	**1.02**	**333**	**307**

17.9 Block Model Validation

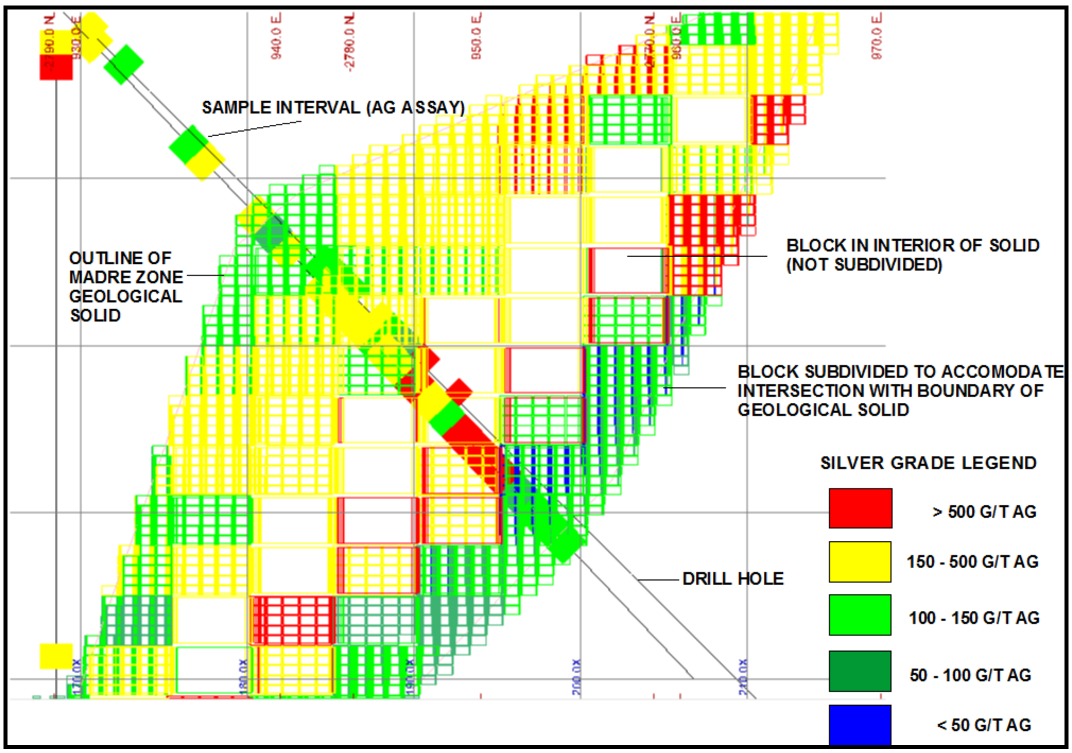
The block model was validated in three ways:

- by comparison of the ID2 and ID5 results
- by comparing the fit of the block model within the boundaries of the geological solids
- by comparing the grades of the blocks with the grades of the assays within the relevant area of the geological solids.

The ID5 estimate contains fewer tonnes (11%) but more metal (3% for silver) than the ID2 estimate. This relationship is to be expected between the two estimation methods as the ID5 calculation weights proximal samples far more heavily than does the ID2 method and therefore attributes greater influence to high values than does the ID2 method.

The other two aspects of the comparison can be seen in Figure 17.5. The fit of the block model to the geological solid agrees closely as does the grade of the blocks relative to the source assay data. It should be noted that although the resource has been estimated in terms of NSR, Figure 17.5 shows the resource in terms of grams per tonne silver in order to show correspondence with drillhole assay values.

Figure 17.5 Block Model within a Portion of the Madre Zone



18.0 OTHER RELEVANT DATA AND INFORMATION

There is no additional information that Wardrop considers would enhance the understanding of this technical report.

19.0 MINING OPERATIONS

The Guanajuato operations are made up of five underground mining areas with multi-levels, access ramps for mobile mining equipment, and three vertical shafts. Ramps, driven from surface, provide access and a route for small highway-type haulage trucks to haul ore from the Guanajuatito, San Vicente, and Promontorio areas. The Cata Main Shaft, located near the Cata Mill and the Cata and Rayas inclines, internal shafts are presently utilized for hoisting ore. The Rayas Main Shaft is used for hoisting men and materials only since all Rayas ore is trammed by underground haulage to the Cata Shaft. The Valenciana Shaft and its mining area are not in operation.

Currently mining is conducted in the Cata, Guanajuatito, and Rayas areas. Mining of the San Vicente and Promontorio areas has been suspended pending a re-evaluation and higher metal prices.

Development and production drilling is done with hand-held jackleg drills. Development waste rock is used as backfill material in the cut-and-fill mining method. Waste and ore loading and haulage is accomplished with diesel-powered underground loaders (scooptrams), ranging in size from six to two cubic-yard capacity.

Production mining utilizes the cut-and-fill mining method. Ramp accesses are driven in the hanging wall in unmineralized rock to provide access to production stopes at various elevations as required. Main levels are typically established at 30-m vertical intervals and production mining starts from the lower level, advancing upwards towards the next level using waste rock as the filling medium to provide the working platform to advance the stope. Other mining methods, such as sub-level longhole, are being considered.

The main Cata orebody is typically 100 m in strike length and an average of 8 to 10 m true width, with a dip of 45° to 50°. This zone is continuously mined as one stoping unit from one or two locations at an average rate of 235 t/d, providing approximately 60% of the metal feed to the Cata plant.

20.0 PROCESS METAL RECOVERIES

The Guanajuato operations have one processing plant (the Cata plant) designed to recover sulphides containing silver and gold. It is a crushing, grinding, and flotation plant with a maximum capacity of 1,200 t/d and currently operates 3 d/wk at a rate of 900 t/d.

Improvements to the crushing, grinding, and flotation circuits at the Cata plant have increased plant performance. During the latest 6-month period ending April 2009, the plant recovered 83.7% and 85.2% of the contained gold and silver, respectively. The concentrate grades averaged 13,060 g/t for silver and 72 g/t for gold.

The iron sulphide concentrates are shipped to the IMMSA copper smelter located in San Luis Potosi, about 160 km distant by paved road. The concentrate is smelted there, and the precious metals are recovered and subsequently refined.

21.0 MARKETS

Concentrate from the Guanajuato operations are sold to a smelter (IMMSA copper smelter in San Luis Potosi) so the operation is not directly affected by variations in market prices for commodities produced.

22.0 CONTRACTS

The Guanajuato operations control the mine and the plant with labour supplied by contractors. Of the underground mining equipment, four underground scooptrams are supplied by the contractor, while the remainder of the underground equipment and all plant equipment are company-owned.

There are separate contracts for transportation of concentrates to the IMMSA copper smelter at San Luis Potosi and for the sale of the concentrate to IMMSA, a subsidiary of Grupo Mexico.

There are no hedging or forward sales contracts. Metals are priced at the average monthly price of the month in which the concentrate is delivered to the smelter.

23.0 ENVIRONMENTAL CONSIDERATIONS

Great Panther has obtained and operates in compliance with all requisite environmental permits and has committed to implementing a comprehensive environmental program as part of a voluntary audit to ensure compliance with regulations governing the protection of the environment in Mexico. Great Panther expects to complete the program and receive certification within two years.

24.0 TAXES

Great Panther pays the higher of:

a. income tax, which has a rate of 28%, or
b. flat tax currently 17% but rising to 17.5% in 2010.

25.0 OPERATING COSTS

The total operations unit costs are reported each month. For the latest 6-month period ending April 2009, the average costs are shown in Table 25.1.

Table 25.1 Cata Mine Area Operations Operating Costs

Cata (6-month Period)	Costs (Mex $M)	Quantity (t)	Unit Cost (Mex $/t)	Unit Cost (US$/t)
Mine (Cata)	9.577	34,780	275.3	20.40
Plant	7.310	66,120	110.6	8.19
General & Administrative	20.450	66,120	309.3	22.91
Total	**37.337**		**695.2**	**51.50**

Note: exchange rate = Mex$13.5:US$1.

26.0 INTERPRETATION AND CONCLUSIONS

The Cata Clavo Zone is a portion of the very extensive Veta Madre system and is an extension of mineralization currently being mined within the Cata Zone.

The Cata Clavo Zone is comprised of three parallel veins or vein zones that strike southeast-northwest and dip to the southwest at about 45°.

The Cata Clavo Zone has been tested by 37 exploration and 13 production drillholes over a strike length of about 400 m and a down dip distance of about 300 m.

An estimate of the contained gold and silver resource was made by ID2 and ID5 methods. Results have been expressed in terms of NSR. Taking into account all blocks with an NSR value greater than US$37.50, capped silver and gold grades, and using the ID2 method, the three veins are estimated to contain the following aggregate resource.

- Indicated 352,000 tonnes at 1.2 g/t Au and 359 g/t Ag
- Inferred 24,000 tonnes at 1.0 g/t Au and 296 g/t Ag.

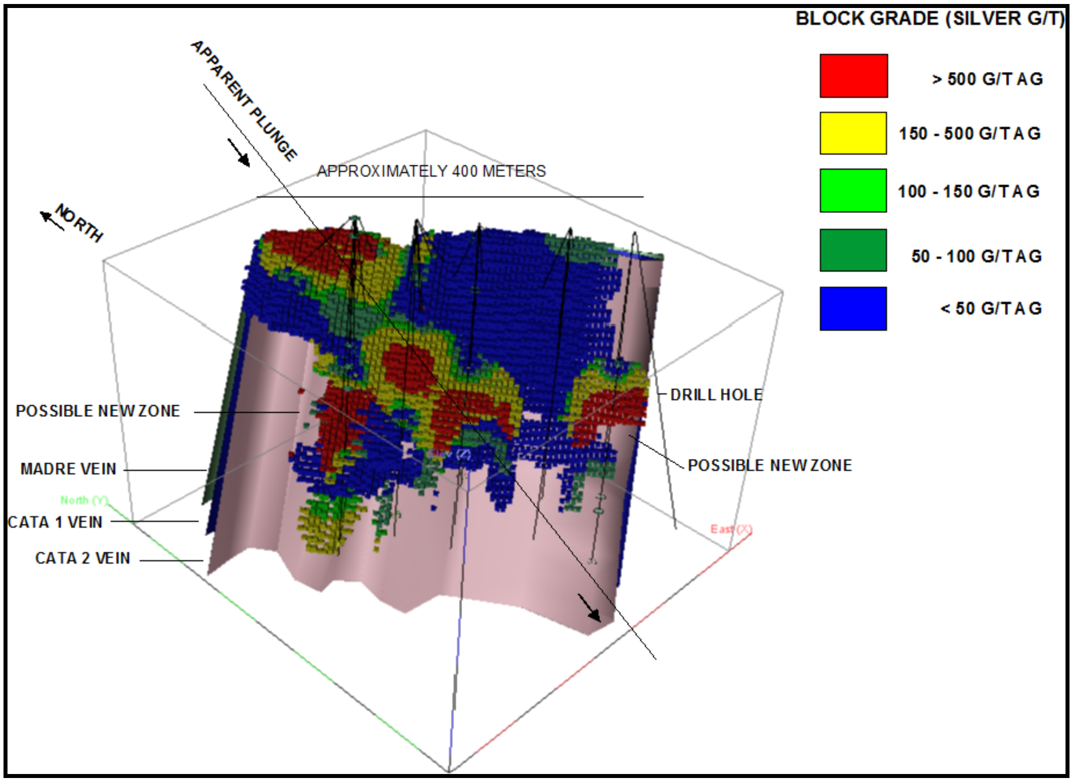
The results obtained from drilling to date suggest a possible southeast plunge to the mineralization with indications of two possible incompletely-defined shoots on the margins of the zone that has been drill-tested to date (Figure 26.1). It should be noted that although the resource has been estimated in terms of NSR, Figure 26.1 shows the resource in terms of grams per tonne silver, which demonstrates the inferred plunge more explicitly than the distribution of blocks in terms of NSR.

It would therefore seem reasonable to explore at depth for extensions to the present indications of mineralization as well as to for new zones, with emphasis being placed on the assessment of the existence of southeast plunging ore shoots.

The current drillhole spacing and density of intercepts appear adequate for the purpose of identifying the presence of absence of mineralization but the density of intercepts is, in general, considered sufficient only to permit the classification of most of the quantified mineralization as inferred.

The exploration program completed to date is considered to have been adequate for the purposes intended and is considered by Wardrop to have met its objectives.

Figure 26.1 Cata Clavo Zone Perspective Showing Possible Plunge of Mineralization



27.0 RECOMMENDATIONS

Additional drilling is recommended to test for possible extensions of mineralization both along strike and down dip. This drilling should be similar in density to that already carried out, which is sufficient to identify mineralization but generally too sparse to permit a high level of confidence in the definition of any such mineralization that is located.

A tentative budget of 40 holes (15,000 aggregate metres) is considered appropriate. In order to carry out this drill program, approximately 600 m of development, ventilation, and electrical support will be necessary. A budget based on current costs is presented in Table 27.1.

Table 27.1 Estimated Budget

Item	Cost (US$)
Drilling (15,000 m at US$100/m)	1,500,000
Assays, etc. (15,000 at US$50/sample)	750,000
Development (600 m at US$500/m)	300,000
Ventilation and Electrical	200,000
Contingency	250,000
Total	**3,000,000**

28.0 REFERENCES

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29.0 DATE AND SIGNATURE PAGE

The effective date of this Technical Report, titled “Technical Report on the Cata Clavo Zone, Guanajuato Mine Property”, is May 31, 2009.

Signed,

“signed and sealed”	*“October 14, 2009”*
Dr. Gilles Arseneau, P.Geo.	Date
“signed and sealed”	*“October 14, 2009”*
Gregory Z. Mosher, P.Geo. Wardrop Engineering Inc.	Date

30.0 CERTIFICATE OF QUALIFIED PERSON

I, Dr. Gilles Arseneau, P.Geo., of North Vancouver, British Columbia do hereby certify that as a co-author of this **TECHNICAL REPORT ON THE CATA CLAVO ZONE, GUANAJUATO MINE PROPERTY, MEXICO**, dated October 14, 2009, I hereby make the following statements:

- At the time of preparing the report, I was Manager of Geology with Wardrop Engineering Inc. with a business address at #800 – 555 West Hastings St., Vancouver, BC, V6B 1M1.
- I have a B.Sc. in Geology from the University of New Brunswick (1979), a M.Sc. in Geology from the University of Western Ontario (1984), and a Ph.D. in Geology from the Colorado School of Mines (1995).
- I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (License #25474).
- I have practiced my profession in mineral exploration continuously since graduation. I have over 20 years of experience in mineral exploration and I have 8 years experience preparing mineral resource estimates using block-modelling software.
- I have read the definition of "qualified person" set out in NI 43-101 and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purpose of NI 43-101.
- I am responsible for the preparation of all sections (excluding Section 17.0) of this technical report titled "Technical Report on the Cata Clavo Zone, Guanajuato Mine Property, Mexico", dated August 13, 2009. I visited the site between February 4 and 7, 2007.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- As of the date of this Certificate, to my knowledge, information, and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
- I am independent of the Issuer as defined by Section 1.4 of the Instrument.
- I have read NI 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

Signed and dated this 14th day of October, 2009 at Vancouver, British Columbia

"Original Document, Revision 01 signed and sealed by Dr. Gilles Arseneau, P.Geo."

Dr. Gilles Arseneau, P.Geo.

I, Gregory Zale Mosher, of Vancouver, British Columbia do hereby certify that as a co-author of this **TECHNICAL REPORT ON THE CATA CLAVO ZONE, GUANAJUATO MINE PROPERTY, MEXICO**, dated October 14, 2009, I hereby make the following statements:

- I am a Senior Geologist with Wardrop Engineering Inc. with a business address at 800 – 555 West Hastings Street, Vancouver, British Columbia
- I am a graduate of Dalhousie University (B.SC Hons, 1970) and McGill University (M.SC.Applied, 1973).
- I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (License # 121151).
- I have practiced my profession continuously since graduation.
- I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101) and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purpose of NI 43-101.
- My relevant experience with respect to vein-type mineral deposits includes the exploration for and evaluation of same over a period of 25 years, and the quantification of same over a period of 5 years.
- I am responsible for the preparation of Section 17.0 of this technical report titled “Technical Report on the Cata Clavo Zone, Guanajuato Mine Property, Mexico“, dated August 13, 2009.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- As of the date of this Certificate, to my knowledge, information, and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
- I am independent of the Issuer as defined by Section 1.4 of the Instrument.
- I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

Signed and dated this 14th day of October, 2009 at Vancouver, British Columbia.

“Original Document, Revision 01 signed and sealed by Gregory Zale Mosher, P.Geo.”

Gregory Zale Mosher, P.Geo.
Senior Geologist
Wardrop Engineering Inc.