GREAT PANTHER RESOURCES LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2008 and 2007

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

MANAGEMENT'S COMMENTS ON
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GREAT PANTHER RESOURCES LIMITED

Consolidated Balance Sheets
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	March 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 5,138,215	$ 5,357,977
Marketable securities	26,981	39,795
Amounts receivable (note 5)	4,973,214	5,879,243
Income taxes recoverable	430,768	363,220
Inventories (note 6)	1,430,772	748,473
Prepaid expenses, deposits and advances	582,134	576,589
	12,582,084	12,965,297
Mineral properties, plant and equipment (note 7)	17,203,340	18,087,813
	$ 29,785,424	$ 31,053,110
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,006,791	$ 2,216,730
Current portion of long-term debt (note 9(a))	93,863	88,625
	3,100,654	2,305,355
Long-term liabilities:		
Convertible loan notes (note 9(b))	4,175,742	4,028,611
Asset retirement obligations	1,164,534	1,101,171
Future income tax liability	2,219,046	2,421,504
	10,659,976	9,856,641
Shareholders' equity:		
Capital stock (note 10)	57,478,447	56,988,447
Contributed surplus (note 10(c))	6,131,116	6,261,116
Equity component of convertible note	2,569,000	2,569,000
Accumulated other comprehensive income (loss) (note 11)	(6,869)	5,945
Deficit	(47,046,246)	(44,628,039)
	19,125,448	21,196,469
Continuing operations (note 1)		
Commitments and contingencies (note 17)		
Subsequent events (note 18)		
	$ 29,785,424	$ 31,053,110

See accompanying notes to unaudited interim consolidated financial statements.

Approved on behalf of the Board:

"Robert A. Archer" Director *"Kaare G. Foy"* Director

GREAT PANTHER RESOURCES LIMITED

Consolidated Statements of Operations and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

Three months ended March 31, 2008 and 2007

	March 31, 2008	March 31, 2007
Revenues:		
Mineral sales	$ 6,451,723	$ 4,173,562
Cost of sales (excluding amortization and depletion)	4,561,242	3,777,989
	1,890,481	395,573
Expenses:		
Amortization and depletion of mineral properties, plant and equipment	992,624	823,616
Accretion on asset retirement obligation	63,362	6,118
Mineral property exploration expenditures (note 8)	1,786,392	1,275,203
General and administrative	1,635,411	1,192,942
Stock-based compensation	-	181,000
	4,477,789	3,478,879
	(2,587,308)	(3,083,306)
Other income (expenses):		
Interest income	77,392	138,140
Interest expense	(273,025)	(188,232)
Foreign exchange gain (loss)	160,208	(95,457)
	(35,425)	(145,549)
Loss before provision for income taxes	(2,622,733)	(3,228,855)
Provision for income taxes (note 13)	204,526	(177,630)
Loss for the period	(2,418,207)	(3,406,485)
Other comprehensive loss, net of tax:		
Unrealized loss on marketable securities	(12,814)	-
Comprehensive loss for the year	$ (2,431,021)	$ (3,406,485)
Diluted and basic loss per share	$ (0.03)	$ (0.05)
Weighted average number of common shares outstanding	81,100,396	70,300,454

See accompanying notes to the unaudited interim consolidated financial statements.

GREAT PANTHER RESOURCES LIMITED

Consolidated Statements of Deficit
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

Three months ended March 31, 2008 and 2007

	March 31, 2008	March 31, 2007
Deficit, beginning of year	$ (44,628,039)	$ (24,927,178)
Loss for the period	(2,418,207)	(3,406,485)
Deficit, end of the period	$ (47,046,246)	$ (28,333,663)

See accompanying notes to the unaudited interim financial statements.

GREAT PANTHER RESOURCES LIMITED

Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

Three months ended March 31, 2008 and 2007

	March 31, 2008	March 31, 2007
Cash flows used in operating activities:		
Loss for the period	$ (2,418,207)	$ (3,406,485)
Items not involving cash:		
Amortization and depletion of mineral properties, plant and equipment	1,135,130	823,616
Foreign exchange gain on debt	759	-
Stock-based compensation	-	181,000
Future income tax	(202,458)	-
Interest accretion on debt discount	4,479	54,699
Interest accretion on convertible note payable	147,131	59,633
Accretion on asset retirement obligations	63,363	6,118
Changes in non-cash operating working capital:		
Amounts receivable	906,029	(931,891)
Inventories	(682,299)	(72,076)
Prepaid expenses and deposits	(5,545)	206,167
Accounts payable and accrued liabilities	790,061	(433,400)
Income taxes	(67,548)	61,359
Net cash used in operating activities	(329,105)	(3,451,260)
Cash flows used in investing activities:		
Mineral properties and capital expenditures	(250,657)	(859,779)
Net cash used in investing activities	(250,657)	(859,779)
Cash flows from financing activities:		
Proceeds on exercise of options	360,000	94,500
Repayment of long-term debt	-	(160,898)
Proceeds received on exercise of warrants	-	748,813
Net cash from financing activities	360,000	682,415
Increase (decrease) in cash and cash equivalents	(219,762)	(3,628,624)
Cash and cash equivalents, beginning of year	5,357,977	9,208,048
Cash and cash equivalents, end of period	$ 5,138,215	$ 5,579,424

See accompanying notes to the unaudited interim consolidated financial statements.

GREAT PANTHER RESOURCES LIMITED

Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

Three months ended March 31, 2008 and 2007

		March 31, 2008		March 31, 2007
Supplementary cash flow information:				
Income taxes paid	$	231,659	$	142,459
Interest expense paid		121,415		40,400
Interest income received	$	49,949	$	74,166

See accompanying notes to the unaudited interim consolidated financial statements.

1. Nature of continuing operations:

Great Panther Resources Limited ("the Company") was continued under the Business Corporations Act (Yukon) on March 22, 1996 and continued under the Business Corporations Act (British Columbia) on July 9, 2004. On October 2, 2003, the Company changed its name from Great Panther Inc. to Great Panther Resources Limited and the common shares were consolidated whereby ten common shares were exchanged for one new common share.

The Company is in the business of acquisition, development and exploration, and operation of mineral properties and mines in Mexico. Of the properties in which the Company has an interest, the Topia and Guanajuato mines were in production at the balance sheet dates. The Company's other mineral property interests are in the exploration stage and it has not yet been determined as to whether these properties contain ore reserves that are economically viable. Costs associated with these exploration stage properties have been expensed.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. During the three months ended March 31, 2008 and 2007, the Company recorded losses of approximately $2,418,000 and $3,406,000, respectively, and used cash in operations of approximately $329,000 and $3,451,000, respectively. As at March 31, 2008, the Company had an accumulated deficit of approximately $47,046,000 and a working capital balance of $9,481,000.

The Company's ability to continue on as a going concern is dependent on the achievement of profitable operations, the existence of economically recoverable mineral reserves and the ability to raise adequate financing from lenders, shareholders and other investors to support its business activities. These consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

2. Basis of presentation:

(a) These interim consolidated financial statements have been prepared in accordance with Canadian GAAP based on accounting policies and practices consistent with those used in the preparation of the most recent annual financial statements, except as described in Note 3. These statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2007, as they do not contain all the disclosures required for annual financial statements.

(b) Certain comparative figures have been reclassified to conform to the current period presentation.

3. Changes in accounting policies:

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

(a) Capital Disclosures:

Section 1535, *Capital Disclosures*, requires additional disclosures about the Company's capital and how it is managed. The additional disclosure includes quantitative and qualitative information regarding the Company's objectives, policies and processes for managing capital. The new disclosures are provided in Note 14.

(b) Financial Instruments – Disclosure and Presentation:

Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*, replace Section 3861, *Financial Instruments – Disclosure and Presentation*, requiring disclosures of both qualitative and quantitative information on the nature and extent of risks arising from financial instruments to which the Company is exposed and how it manages those risks. The new disclosures are provided in Notes 15 and 16.

The Company's financial instruments consist of cash and cash equivalents, marketable securities, amounts receivable, income taxes recoverable, accounts payable and accrued liabilities, long-term debt and convertible loan notes.

Transaction costs are expensed as incurred for financial instruments designated as held- for-trading. The effective interest rate method of amortization is used for any transaction costs for financial instruments measured at amortized cost, which includes loans and receivables and other financial liabilities.

Held-for-trading financial instruments include cash and cash equivalents and are initially and subsequently recorded at fair value. Unrealized gains and losses related to revaluations are recorded in net income for the period. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Available-for-sale financial assets include marketable securities and are initially and subsequently recorded at fair value. Unrealized gains and losses resulting from revaluation are included in other comprehensive income. When the assets are sold or an impairment write down is required, the accumulated fair value adjustments recognized in equity are included in the income statement. Financial assets that are non-derivatives and not classified in any of the other categories are classified as available-for-sale. Categories of regular way purchases and sales of financial assets are accounted for at the settlement date.

Loans and receivables include amounts receivable and income taxes recoverable, and are initially measured at fair value and subsequently measured at amortized cost. Gains and losses resulting from revaluations, impairment write-downs and foreign exchange translation adjustments are recognized in net earnings for the period. Financial assets with fixed or determinable payments that are not quoted in an active market are classified in this category.

3. Changes in accounting policies (continued):

Other financial liabilities include accounts payable and accrued liabilities and are initially measured at fair value and subsequent periodical revaluations are recorded at amortized cost using the effective interest rate method. Gains and losses resulting from revaluation and foreign exchange translation adjustments are recognized in net earnings for the period.

Held-to-maturity financial instruments include long-term debt and convertible loan notes and are recorded at amortized cost, with accretion recorded in the statement of operations. The conversion feature of the convertible loan notes are recorded at fair value using a Black-Scholes valuation model upon issue of the note. The fair value of the conversion feature is recorded as an equity component of the note financing, reducing the amount assigned to the debt component. The debt component is accreted to its fair value until extinguished on conversion or maturity.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired using the following criteria:

- For available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement are not reversed through the income statement.
- For loans and receivables, a provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor or delinquency in payments are considered indicators that a trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement within general and administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against general and administrative expenses in the income statement.

(c) Inventories:

Effective January 1, 2008, the Company adopted Section 3031, *Inventories*, which replaces Section 3030. The new standard provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. The Section also provides guidance on the cost formulas that are used to assign costs to inventories.

(Expressed in Canadian dollars)

3. Changes in accounting policies (continued):

The Company's production inventories are measured at the lower of weighted average cost and net realizable value. Costs include all direct production costs, variable production costs, and fixed overhead. Materials and supplies inventory, which includes the cost of consumables used in operations such as fuel, grinding media, chemicals and spare parts, are stated at the lower of average cost and replacement cost. Major spare parts and standby equipment are included in property, plant, and equipment when they are expected to be used during more than one period or if they can only be used in connection with an item of property, plant, and equipment.

The adoption of this new standard had no financial effect on the consolidated financial statements.

4. Recent accounting pronouncements:

(a) Goodwill and Intangible Assets:

Section 3064, *Goodwill and Intangible Assets*, establishes revised standards for recognition, measurement, presentation, and disclosure of goodwill and intangible assets. The standard is effective for interim and annual financial statements beginning January 1, 2009. The Company does not expect the adoption of this Section to have a significant effect on its financial statements.

(b) International Financial Reporting Standards ("IFRS"):

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The transition date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

5. Amounts receivable:

	March 31, 2008	December 31, 2007
Value added tax recoverable	$ 2,174,318	$ 3,037,482
Trade accounts receivable	3,019,865	2,515,477
Other	110,031	436,284
	5,304,214	5,989,243
Allowance for doubtful amounts	(331,000)	(110,000)
	$ 4,973,214	$ 5,879,243

The Company, through its Mexican subsidiaries, pays value added tax on the purchase and sale of goods and services at a rate of 15%. The net amount paid or payable is recoverable, but such recovery is subject to review and assessment by local tax authorities.

(Expressed in Canadian dollars)

6. Inventories:

	March 31, 2008	December 31, 2007
Finished product	$ 770,158	$ 311,357
Ore stockpile	-	29,319
Materials and supplies	660,614	407,797
	$ 1,430,772	$ 748,473

7. Mineral properties, plant and equipment:

The major components of the Company's mineral properties, plant and equipment are as follows:

	March 31, 2008	December 31, 2007
Topia Mine:		
Mineral properties	$ 2,307,671	$ 2,167,106
Plant and equipment	5,660,608	5,660,608
Buildings and mobile equipment	393,346	393,346
Asset retirement obligations	546,254	546,254
	8,907,879	8,767,314
Accumulated depreciation and depletion	(2,685,308)	(2,177,831)
	6,222,571	6,589,483
Guanajuato Mines:		
Mineral properties	3,998,214	3,978,063
Plant and equipment	4,894,951	4,828,025
Buildings and mobile equipment	1,774,694	1,752,370
Land	2,844,889	2,844,889
Asset retirement obligations	532,213	532,213
	14,044,961	13,935,560
Accumulated depreciation and depletion	(3,360,918)	(2,753,990)
	10,684,043	11,181,570
Santo Nino	68,542	68,542
Leasehold improvements and other equipment, net of accumulated depreciation of $144,682 (2007 - $123,957)	228,184	248,218
	$ 17,203,340	$ 18,087,813

(Expressed in Canadian dollars)

8. Mineral property exploration expenditures:

The continuity of expenditures on mineral properties for three months ended March 31, 2008 is as follows:

	San Antonio	Santo Nino	San Taco	Topia Main Block	Topia II to IV	Guanajuato	Virimoa	Mapimi	2008
Analysis	$ -	$ -	$ -	$ 4,878	$ -	$ 32,377	$ -	$ 35,428	$ 72,683
Drilling	-	-	-	293,245	-	185,797	-	245,580	724,622
Field costs	2,292	-	-	20,224	-	593	-	6,908	30,017
Geology	3,437	-	-	86,573	-	212,044	-	158,482	460,536
Project administration	14,799	-	-	9,165	-	65,698	-	47,379	137,041
Mine exploration costs	-	-	-	408,179	-	-	-	-	408,179
	20,528	-	-	822,264	-	496,509	-	493,777	1,833,078
Cost Recoveries	(46,686)	-	-	-	-	-	-	-	(46,686)
	(26,158)	-	-	822,264	-	496,509	-	493,777	1,786,392
Cumulative expenses, beginning of year	210,074	489,654	425,465	5,817,298	168,144	4,257,919	369,788	3,083,486	14,821,828
Cumulative expenses, end of year	$183,916	$489,654	$425,465	$6,639,562	$ 168,144	$4,754,428	$369,788	$3,577,263	$16,608,220

9. Long-term debt:

(a) Long-term debt:

	March 31, 2008	December 31, 2007
Arcoiris concession acquisition, carrying value of US$100,000, without interest and discounted at an effective interest rate of 26.8% per annum, payable in four staged payments over three years	$ 99,889	$ 99,130
Less: unamortized discount	(6,026)	(10,505)
	93,863	88,625
Current portion	(93,863)	(88,625)
	$ -	$ -

Interest accreted on long-term debt totaled $4,479 in 2008 (2007 – $54,699).

(Expressed in Canadian dollars)

9. Long-term debt (continued):

(b) Convertible loan notes:

	March 31, 2008	December 31, 2007
$2,020,000 note due March 9, 2010, interest rate of 8% per annum payable quarterly. Discounted at an effective interest rate of 26.8%. Interest accreted on the note payable during the period ended March 31, 2008 was $65,730 (2007 - $59,633)	$ 1,464,237	$ $1,398,507
$4,050,000 note due July 14, 2011, interest rate of 8% per annum payable quarterly. Discounted at an effective interest rate of 25.1%. Interest accreted on the notes payable during the period ended March 31, 2008 was $81,401 (2007 - $nil).	2,711,505	2,630,104
	$ 4,175,742	$ 4,028,611

10. Capital stock:

(a) Authorized:
Unlimited number of common shares without par value
Unlimited number of Class A preferred shares without par value, issuable in series
Unlimited number of Class B preferred shares without par value, issuable in series

(b) The continuity of the Company's issued share capital is as follows:

	Number of common shares	Stated value
Balance, December 31, 2007	80,744,352	$ 56,988,447
Exercise of options	400,000	360,000
Reclassification from contributed surplus on exercise of options	-	130,000
Balance, March 31, 2008	81,144,352	$ 57,478,447

No preferred shares have been issued.

(c) Contributed surplus:

	Stated value
Balance, December 31, 2007	$ 6,261,116
Reclassification to common shares on exercise of options	(130,000)
Stock-based compensation	-
Balance, March 31, 2008	$ 6,131,116

(Expressed in Canadian dollars)

10. Capital stock (continued):

(d) Stock options:

The continuity of common stock options for the three months ended March 31, 2008 is as follows:

Exercise price	Expiry date	Balance December 31, 2007	Granted	Cancelled/ expired	Cashless Exercise	Exercised	Balance March 31, 2008
0.45	February 8, 2009	490,000	-	-	-	-	490,000
0.52	April 5, 2009	30,000	-	-	-	-	30,000
0.45	May 25, 2009	60,000	-	-	-	-	60,000
0.45	February 27, 2010	150,000	-	-	-	-	150,000
0.45	July 26, 2010	400,000	-	-	-	-	400,000
0.90	January 5, 2011	1,201,700	-	(46,700)	-	-	1,155,000
0.90	January 14, 2008	400,000	-	-	-	(400,000)	-
2.65	January 14, 2008	400,000	-	(400,000)	-	-	-
2.65	December 06, 2011	2,105,000	-	(150,000)	-	-	1,955,000
2.65	March 11, 2012	115,000	-	-	-	-	115,000
2.00	June 05, 2012	375,000	-	-	-	-	375,000
2.00	September 10, 2012	550,000	-	-	-	-	550,000
		6,276,700	-	(596,700)	-	(400,000)	5,280,000
Weighted average exercise price		$ 1.71	-	$2.51	-	$0.90	$1.68

As at March 31, 2008, all share options are fully vested. The weighted average remaining contractual life of the options is 3.4 years.

The Company applies the fair value based method of accounting for employee stock options granted after January 1, 2003. No stock options were granted during the three months ended March 31, 2008.

(e) Warrants:

The continuity of warrants for the three months ended March 31, 2008 is as follows:

Series	Exercise price	Expiry date	Balance December 31, 2007	Issued	Exercised	Expired	Balance March 31, 2008
Series “K” Warrants	2.65	June 1, 2008	3,621,999	-	-	-	3,621,999
Broker Warrants	2.00	June 1, 2008	479,375	-	-	-	479,375
			4,101,374	-	-	-	4,101,374

(f) Revision to Shareholder Rights Plan

On March 7, 2008, the Board of Directors approved the adoption of a Shareholder Rights Plan (the "Plan") as part of its procedures for dealing with any parties who may seek to acquire control of the Company through a take-over bid or other transaction. To implement the Plan, the Board of Directors of the Company authorized the issue of one Right in respect of each common share of the Company outstanding to holders of record on March 7, 2008. Until the occurrence of certain specific events, the Rights will trade with the common shares of the Company.

(Expressed in Canadian dollars)

10. Capital stock (continued):

The Rights become exercisable only when a person, including any party related to it or acting jointly with it, acquires or announces its intention to acquire 20% or more of the outstanding common shares of the Company without complying with the "Permitted Bid" provisions of the Plan. Under the Plan, a Permitted Bid is a bid made to all shareholders on identical terms and conditions that is open for at least 60 days. If at the end of 60 days more than 50% of the outstanding shares, other than those owned by the offeror and certain persons related to the offeror or acting jointly with it, have been tendered, the offeror may take up and pay for the shares but must extend the bid for a further 10 business days to allow all other shareholders to tender. Should a non-permitted acquisition occur, each Right would entitle each holder of common shares (other than the offeror and certain parties related to the offeror or acting jointly with it) to purchase additional common shares of the Company at a 50% discount to the market price at the time.

Although the Plan has become effective upon its adoption by the Board of Directors, in accordance with stock exchange requirements, it will be submitted to shareholders of the Company for ratification at the next annual shareholders' meeting on June 27, 2008. If ratified, the Plan will continue until the annual general meeting of shareholders in 2012.

11. Accumulated other comprehensive income:

		March 31, 2008
Balance, beginning of period	$	5,945
Unrealized gain (loss) on marketable securities		(12,814)
Balance, end of period	$	(6,869)

12. Related party transactions:

The Company entered into the following transactions with related parties:

		March 31, 2008		March 31, 2007
Consulting fees paid or accrued to companies controlled by directors of the Company	$	132,626	$	137,000
Consulting fees paid or accrued to companies controlled by officers of the Company	$	59,895	$	99,745
Cost recoveries received or accrued from a company with a common director of the Company	$	46,686	$	1,205
Office and administration fees paid or accrued to a company controlled by a director of the Company	$	9,788	$	9,661

(Expressed in Canadian dollars)

12. Related party transactions (continued):

As at March 31, 2008, $72,311 (2007 - $78,126) was due to companies controlled by officers and directors of the Company and was included in accounts payable. Amounts due from a company with a common director were $17,737 (2007 - $1,205) and were included in amounts receivable.

13. Income taxes:

Provision for income taxes:

	March 31, 2008	March 31, 2007
Current income taxes	$ (164,111)	$ (177,630)
Future income taxes	368,637	-
	$ 204,526	$ (177,630)

14. Capital management:

The Company's objectives when managing capital are to:

- ensure there are adequate capital resources to safeguard the Company's ability to continue as a going concern,
- maintain adequate levels of funding to support the acquisition, exploration, development, and production of mineral properties,
- maintain investor, creditor and market confidence to sustain future development of the business, and
- provide returns to shareholders and benefits for other stakeholders.

The Topia and Guanajuato mines are producing properties, but exploration activities are also performed at these properties in order to identify further resources. Funds realized from the sale of concentrates are largely used to finance the operations of the producing properties. Additionally, the Company carries out exploration activities on the Mapimi property which does not generate any operating income or cash flow. The Company is largely dependent on external financing to fund exploration activities. To undertake planned exploration, the Company will raise additional funds as needed. Funds are primarily secured through convertible debt and equity capital raised by way of private placements.

The Company manages its capital in a manner that provides sufficient funding for operational activities. Annual capital and operating expenditure budgets, and rolling forecasts, are used to determine the necessary capital requirements. These budgets are approved by management and the Board of Directors and updated for changes in the underlying assumptions, economic conditions and risk characteristics of the underlying assets, as necessary. In order to maintain or adjust the capital structure, the Company may issue new debt or capital through private placements. For the three months ended March 31, 2008, there were no changes in quantitative and qualitative data about the Company's objectives, policies and processes for managing capital as compared to the prior period.

14. Capital management (continued):

As at March 31, 2008, total managed capital was $18,256,838, comprised of:

	March 31, 2008	December 31, 2007
Total debt [1]	$ 4,269,605	$ 4,117,236
Less: Cash	5,138,215	5,357,977
Net cash	868,610	1,240,271
Shareholders' equity	19,125,448	21,196,469
Adjusted capital	$ 18,256,838	$ 19,955,728
Debt to adjusted capital ratio	(0.05)	(0.06)

(1) Includes current portion of long-term debt and convertible loan notes

The Company's capital structure is dependent on expected business growth and changes in the business environment.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Company is not subject to covenants on its long-term debt and convertible notes. During the three months ended March 31, 2008, the Company met all debt repayment requirements.

15. Fair value of financial instruments:

The carrying values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of the items. The fair value of marketable securities are based on current bid prices at March 31, 2008. The fair value of long-term debt and convertible notes payable to third parties approximates the amortized cost as the interest rates reflect estimated market rates at March 31, 2008.

In evaluating the fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and different valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange.

For the three months ended March 31, 2008, a fair value adjustment of $12,814 for marketable securities designated as available-for-sale has been recognized in other comprehensive loss. Available-for-sale financial assets are denominated in Canadian dollars. There were no disposals or impairment provisions during the current interim period.

16. Financial risk exposure and risk management:

The Company is exposed in varying degrees to a number of risks arising from financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not participate in the use of financial instruments to mitigate these risks and has no designated hedging transactions. The Company has no collateral on its debt. The Board approves and monitors the risk management processes. The Board's main objectives for managing risks are to ensure liquidity, the fulfillment of obligations, the continuation of the Company's exploration program, and limited exposure to credit and market risks. There were no changes to the objectives or the process from the prior period.

The types of risk exposure and the way in which such exposures are managed are as follows:

(a) Concentration risk:

Concentration risks exist in cash and cash equivalents because significant balances are maintained with one financial institution. The risk is mitigated because the financial institution is a prime Canadian bank. Risk also exists in sales because the Company's revenues are currently substantially derived from sales to one customer in Mexico. To mitigate the risk, the Company is considering selling its concentrate to other potential, economically viable customers.

(b) Credit risk:

Credit risk primarily arises from the Company's cash and cash equivalents and amounts receivable. The risk exposure is limited to their carrying amounts at the balance sheet date. Cash and cash equivalents are held as cash deposits or invested in guaranteed investment certificates with various maturity dates. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the bank and the investment grade of the guaranteed investment certificates.

Amounts receivable primarily consists of value added tax recoverable ("VAT") and trade accounts receivable. To reduce credit risk, the Company regularly reviews the collectibility of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. An allowance of $331,000 has been provided for potentially uncollectible VAT as at March 31, 2008. With respect to trade receivables, the customer is a large, publicly traded company and has conducted business in Mexico for a number of years. At March 31, 2008, the trade accounts receivable balance totaled $3,019,865 of which $2,904,881 is due within 60 days and the balance of $114,984 is due from 60 – 90 days. The Company historically has not had difficulty collecting receivables from this customer, neither has this customer defaulted on any payments.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

16. Financial risk exposure and risk management (continued):

The Company ensures there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of the assets, liabilities and cash flows. The Company prepares annual budgets which are approved by the Board of Directors and prepares cash flows and liquidity forecasts on a quarterly basis.

During this quarter, receipt of trade accounts receivable were used to fund the operating costs associated with the producing properties. The Company's cash and cash equivalents are invested in guaranteed investment certificates which are available on demand to fund the Company's operating costs and other financial demands.

The maturities of the Company's current portion of long-term debt and convertible loan notes are disclosed in Note 9. The Company manages the long-term liquidity risks associated with the convertible loan notes by including a holder's conversion feature in the agreements, which it anticipates will be exercised. In the event that the conversion feature is not exercised, the expectation is that the Company will have sufficient cash flow from operations to repay the debt.

(d) Market risk:

The significant market risks to which the Company is exposed are currency, interest rate and commodity price risk.

(i) Currency risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risk.

The Company's exploration, development, operating costs, and a significant portion of its administrative costs are in Mexico and are denominated in Mexican pesos or US dollars. Revenues from the sale of concentrates are denominated in US dollars. The fluctuation of the US dollar and Mexican peso in relation to the Canadian dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity.

Comparative foreign exchange rates as at March 31, 2008 are as follows:

	March 31, 2008	December 31, 2007
MXN Peso to CDN Dollar	0.097	0.091
US Dollar to CDN Dollar	1.004	0.991

The Company has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions for the Mexican operations is not significant and therefore does not hedge its foreign exchange risk. Additionally, the US dollar trade accounts receivable are short term in nature and foreign currency risk exposure is minimal.

16. Financial risk exposure and risk management (continued):

(ii) Interest rate risk

The Company's policy is to invest cash in guaranteed investment certificates at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at March 31, 2008, interest rates on guaranteed investment certificates ranged from 3.20% to 3.25% which represent the prevailing market interest rates. Fluctuations in interest rates impact the value of cash and cash equivalents. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

For financial liabilities, the current portion of long-term debt is not subject to interest rate risk since it is non-interest bearing. The convertible loan notes carry a fixed interest rate of 8% per annum and as such are not subject to fluctuations of interest rates.

(iii) Commodity price risk

The value of the Company's mineral resource properties depends on the price of silver, gold, lead and zinc and the outlook for these minerals. As at March 31, 2008, market prices were USD$18/oz for silver, USD$934/oz for gold, USD$2,788/tonne for lead, and USD$2,302/tonne for zinc.

Silver and gold, as well as lead and zinc prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, market fluctuations, government regulations relating to prices, taxes, royalties, allowable production, import, exports and supply and demand, industrial and retail demand, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to silver and gold. The value of trade receivables depends on changes in metal prices over the quotational period.

The profitability of the Company's operations is highly correlated to the market price of silver and gold. If metal prices decline for a prolonged period below the cost of production of the Company's Topia and Guanajuato mines, it may not be economically feasible to continue production.

The Company has not entered into any hedging or other commodity based risk instruments.

16. Financial risk exposure and risk management (continued):

(iv) Sensitivity analysis

Based on historic trends over the last twelve months, volatilities in the above-noted market risks, and management's knowledge and experience in the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period.

- A parallel shift of +1%/-1% from the prevailing market interest rates on deposits of 3.2% as of March 31, 2008.
- Proportional foreign exchange movement of -10% (depreciation of CAD) and +10% (appreciation of CAD) against the USD, from the March 31, 2008 CAD to USD exchange rate of 0.996.

  Proportional foreign exchange movement of -10% (depreciation of CAD) and +10% (appreciation of CAD) against the Mexican peso, from the March 31, 2008 CAD to Mexican peso exchange rate of 10.341.
- A parallel shift of +10%/-10% from the prevailing commodity prices of USD$18/oz for silver, USD$934/oz for gold, USD$2,788/tonne for lead, and USD$2,302/tonne for zinc as of March 31, 2008.

If these movements were to occur, the impact on the consolidated net loss for each category of financial instrument held at the balance sheet date is presented below in thousands of dollars.

		Interest Rate Risk (1)		**Currency Rate Risk**		**Commodity Price Risk**	
		-1%	**+1%**	**-10%**	**+10%**	**-10%**	**+10%**
	Carrying Amount ($'000)	**Income ($'000)**	**Income ($'000)**	**Income ($'000)**	**Income ($'000)**	**Income ($'000)**	**Income ($'000)**
Financial assets							
Cash and cash equivalents(1)							
CAD	3,207	(32)	32	-	-	-	-
USD	1,409	(14)	14	155	(128)	-	-
Pesos	522	(5)	5	58	(47)	-	-
Amounts receivable							
USD	3,020	-	-	334	(273)	(302)	302
Pesos	1,843	-	-	205	(167)	-	-
Inventories							
Pesos	1,431	-	-	159	(130)	-	-
Financial liabilities							
Accounts payable and accrued liabilities							
USD	969	-	-	(107)	88	-	-
Pesos	788	-	-	(87)	72	-	-
Total Increase(Decrease)		(51)	51	717	(585)	(302)	302

(1) Cash and cash equivalents include guaranteed investment certificates which are at fixed and floating interest rates. The Company does not have any financial instrument balances denominated in foreign currencies to give rise to exposure to foreign exchange risk.

17. Commitments and contingencies:

(a) On August 16, 2007, Minera de Villa Seca, S.A. de C.V. received a notice of assessment from the Instituto Mexicano Del Seguro Social (the Mexican Social Security Institute ("IMSS")) for approximately $347,000 of additional social security contributions due and penalties thereon. On November 9, 2007, the Company appealed this assessment and pledged a small piece of unused property at the Guanajuato mine as a guarantee. The guarantee will be removed upon successful appeal of the claim or by payment of the amount owing to the IMSS.

Unpaid IMSS amounts are required to be adjusted for the National Consumer Price Index and penalties increase over the passage of time. The value of the claim at March 31, 2008 is approximately $516,000. This has not been provided for since management believes that this assessment is without merit and will not have a material adverse impact on our financial position, results of operations or cash flows.

(b) The Company is committed to making severance payments amounting to approximately $1,645,000 to certain Officers and management in the event that there is a change of control of the Company.

(c) Commitments outstanding relating to laboratory and drilling services amount to $705,000 in 2008, $829,000 in 2009, $829,000 in 2010, and $829,000 in 2011.

(d) The Company is committed to operating lease payments of $88,000 in 2008 and $70,000 in 2009.

(e) Commitments to purchase capital equipment as at March 31, 2008 are $870,000 to be financed over 24 months at an interest rate of 9.93%.

18. Subsequent events:

On April 9, 2008, the Board of Directors approved amending the terms of 3,621,999 outstanding share purchase warrants ("WK Warrants") and 479,375 Broker Warrants by reducing the exercise price to $1.42. There is no change in the expiry date, which remains June 1, 2008. The amendment became effective April 23, 2008.

Subject to shareholder approval at the next annual shareholders' meeting on June 27, 2008, the Company is also amending the exercise price to $1.42 of 2,070,000 outstanding incentive stock options currently exercisable at $2.65 and 925,000 outstanding incentive stock options currently exercisable at $2.00. The reduction in the exercise price will become effective on April 23, 2008, provided that no exercise of such options may occur until shareholder approval is obtained.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2008

This Management's Discussion and Analysis ("MD&A") prepared as of May 9, 2008, reviews the financial condition and results of operations of Great Panther Resources Limited ("Great Panther" or the "Company") for the three month financial period ended March 31, 2008, and other material events up to the date of this report. The following discussion should be read in conjunction with the Company's December 31, 2007 annual audited consolidated financial statements and related notes together with Management's Discussion and Analysis and the unaudited interim consolidated financial statements and related notes for the period ended March 31, 2008.

The financial data included in the discussion provided in this report has been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts are in Canadian dollars, unless otherwise noted.

FIRST QUARTER HIGHLIGHTS

Mine Production & Development

- 55% increase in mineral sales revenue to $6.5 million for the three months ended March 31, 2008 from $4.2 million for the three months ended March 31, 2007.
- 378% increase in earnings from mining operations[1] to $1.9 million in the first quarter 2008 from $0.4 million for the first quarter 2007.
- 36% increase in total quarterly production to 431,639 silver equivalent ounces (Ag Eq oz) in the first quarter 2008 from 318,443 Ag Eq oz in the first quarter 2007.
- 82% increase in output at Guanajuato for three months ended March 31, 2008 to 267,132 Ag Eq oz from 146,552 Ag Eq oz for the three months ended March 31, 2007.
- Overall cash operating cost per silver ounce[2] decreased by 17% from $11.14 in 2007 to $9.20 for the first quarter of 2008.

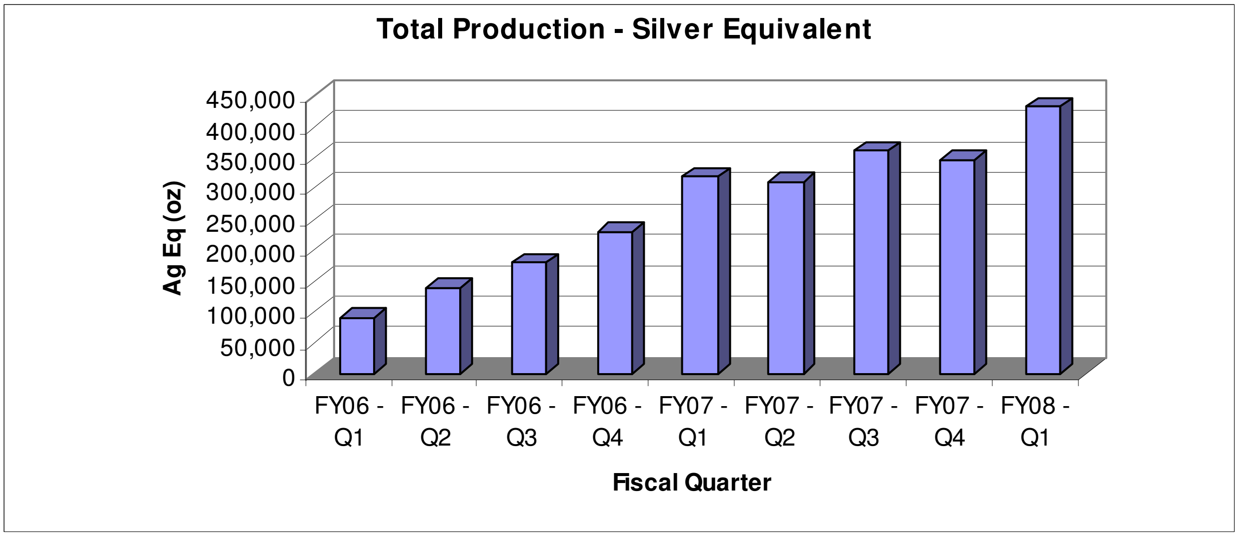
Exploration

- Received an upgraded and expanded NI 43-101 compliant global resource of 28.6 million ounces of silver equivalent ounces at the Mapimi Project in Durango.
- Deep underground diamond drilling in the Cata area of the Guanajuato Mine extended high grade silver-gold mineralization to a depth of 600 metres, 170 metres below the current workings.
- Surface and underground drilling and mine development at Topia proved the continuity of high grade silver-gold-lead-zinc mineralization that can be added to the new resource expected in the second quarter of 2008.

Financial

- EBITDA[3] loss was $1.4 million for the first quarter of 2008 compared to $2.2 million for the first quarter of 2007, an increase of 39%.
- Under Canadian Generally Accepted Accounting Principles ("GAAP"), the Company has a choice whether to expense or capitalize mineral property exploration costs. To be consistent with U.S. GAAP, the Company has chosen to expense these costs. Had these costs been capitalized, EBITDA for the first quarter would have been $0.4 million compared to a $0.9 million EBITDA loss for the same period in 2007, an increase of 144%.
- Cash used in operating activities decreased from $3.5 million in the first quarter of 2007 to $0.3 million in the first quarter of 2008, an improvement of 90%.

(1) "earnings from mining operations" is defined as mineral sales less cost of sales (excluding amortization and depletion)
(2) cost per silver ounce is calculated net of by-product credits
(3) EBITDA is defined as earnings before interest expense, taxes and depletion and amortization



OVERVIEW

Great Panther Resources Limited is a revenue-generating, active mining and exploration company listed on the Toronto Stock Exchange ("TSX"), trading under the symbol "GPR". The Company's current activities are focused on the mining of precious and base metals from its wholly-owned properties in Mexico. In addition, Great Panther is also involved in the acquisition, exploration and development of other Mexican properties.

All of Great Panther's assets in Mexico are held through Minera Mexicana el Rosario, S.A. de C.V. ("MMR"), a wholly-owned subsidiary acquired in February 2004. In 2005, the Company incorporated Metalicos de Durango, S.A, de C.V. and Minera de Villa Seca, S.A. de C.V. These two operating subsidiaries of the Company are responsible for the day-to-day affairs and operations of the Topia and Guanajuato mines, respectively, through service agreements with MMR. On February 20, 2007, Great Panther incorporated an additional subsidiary, Exploraciones Mineras el Rosario, S.A. de C.V., responsible for the exploration and further development of the Company's mineral properties.

PRIMARY MINING PROPERTIES

Topia Mine

For the three month period ending March 31, 2008, the Company processed 9,457 tonnes of ore compared to 8,528 tonnes in the previous quarter, an increase of 11%. Production of 164,507 Aq Eg oz was realized during the quarter compared to 171,823 Ag Eq oz for the three months ended December 31, 2007. While this shows a 4% fall in terms of silver equivalent ounces, this was due to the change in the metal prices used to calculate the equivalent ounces. The values of lead and zinc fell relative to silver. Metal production during the first quarter of 2008 consisted of 86,476 oz of silver, 220 oz of gold, 478,402 lbs of lead and 522,495 lbs of zinc. This represented the highest ever quarterly totals for silver and lead. In spite of the drop in the relative values of the base metals against silver, the Topia operations are on target to achieve the plan of 650,000 Ag Eq ounces.

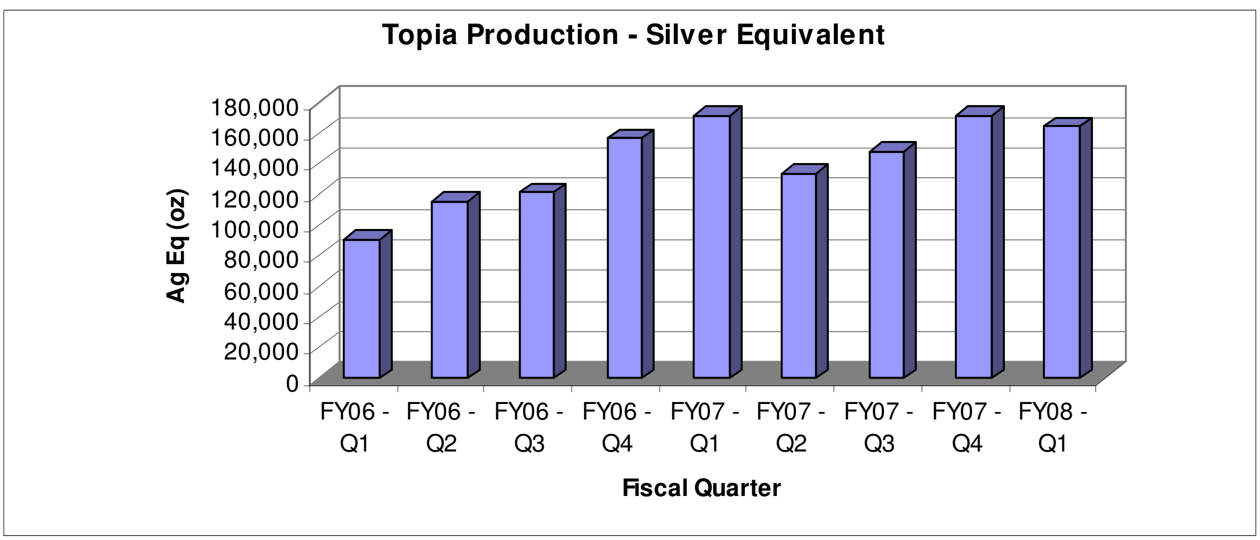
The average grade of ore mined and milled during the first quarter of 2008, at 0.80 grams per tonne (gpt) gold, 326 gpt silver, 2.8% lead and 2.9% zinc, continued the positive grade trend.

The processing plant operated well processing a record quarterly combined total of 12,110 tonnes including 2,653 tonnes which was custom milled for local small mines. Plant recoveries were satisfactory with excellent total gold and silver recoveries of 91.0% and 87.2%, respectively. A newly purchased diesel powered back-up generator was used occasionally to ensure the plant continued operations when there were power outages.

	FY08-Q1	FY07-Q4	FY07-Q3	FY07-Q2	FY07-Q1	FY06-Q4	FY06-Q3	FY06-Q2	FY06-Q1
Tonnes milled	9,457	8,528	9,509	7,407	8,161	7,205	6,948	4,592	3,700
Silver ounces	86,476	82,850	65,884	58,270	72,437	65,921	49,085	52,859	40,138
Gold ounces	220	241	128	126	148	145	106	85	69
Lead tonnes	217	194	184	153	204	209	153	145	121
Zinc tonnes	237	202	204	189	252	245	202	166	131
Silver equivalent ounces (Ag Eq oz)	164,507(4)	171,823	148,490	133,522	171,891	156,556	121,166	115,672	90,381

(4) For the first quarter 2008, silver equivalent ounces for each metal were established using commodity prices of: US$800 per oz, US$16 per oz, US$1.15 per lb, and US$1.00 per lb; for gold, silver, lead & zinc, respectively, and applied to the recovered metal content of the concentrates that were produced by the two operations.

Underground exploration guided by both surface and underground diamond drilling continued at several locations and on a number of different veins throughout the Topia operations. These operations are demonstrating much improved results as they benefit from the investment made to rehabilitate the many small mines.



The surface diamond drilling for the quarter totaled 2,558 metres in eight holes drilled to test the Argentina vein at depth and the Cantarranas vein. In addition, four drill holes were completed from underground totaling 265 metres. Very good results were recorded for the drilling on the La Dura and Don Benito veins and underground development of these veins is well advanced. Development and diamond drilling on the Cantarranas and Argentina veins continued during the quarter and results are expected to be published as complete assays are received during the second quarter of 2008.

The cash operating cost per ounce of silver (refer to the discussion in "Cash Costs per Ounce of Silver (Non-GAAP Measures)" section which describes this calculation) at Topia for the three months ended March 31, 2008 was USD$6.42 compared to USD$6.21 in fiscal 2007. The increase in cost per ounce is primarily the result of much lower zinc by-product credits during the first quarter of 2008 compared to 2007.

	Q1 2008		Fiscal 2007		Fiscal 2006	
	CAD Cost of Sales	**Per USD Ag oz**	**CAD Cost of Sales**	**Per USD Ag oz**	**CAD Cost of Sales**	**Per USD Ag oz**
Cash production costs	$ 1,207,072		$ 4,685,050		$ 2,600,344	
Site preparation	68,790		112,830		212,602	
Smelter and transportation	172,805		568,981		449,208	
Cost of sales (excluding custom milling)	**1,448,667**		**5,366,861**		**3,262,154**	
By-product credits(5)	(910,567)		(3,486,368)		(2,251,034)	
Cash operating costs	**$ 538,100**	**$ 6.42**	**$ 1,880,493**	**$ 6.21**	**$ 1,011,120**	**$ 4.25**

(5) By-product credits are defined as revenue from the by-products of silver, specifically gold, lead and zinc for Topia and gold for Guanajuato.

Guanajuato Mine

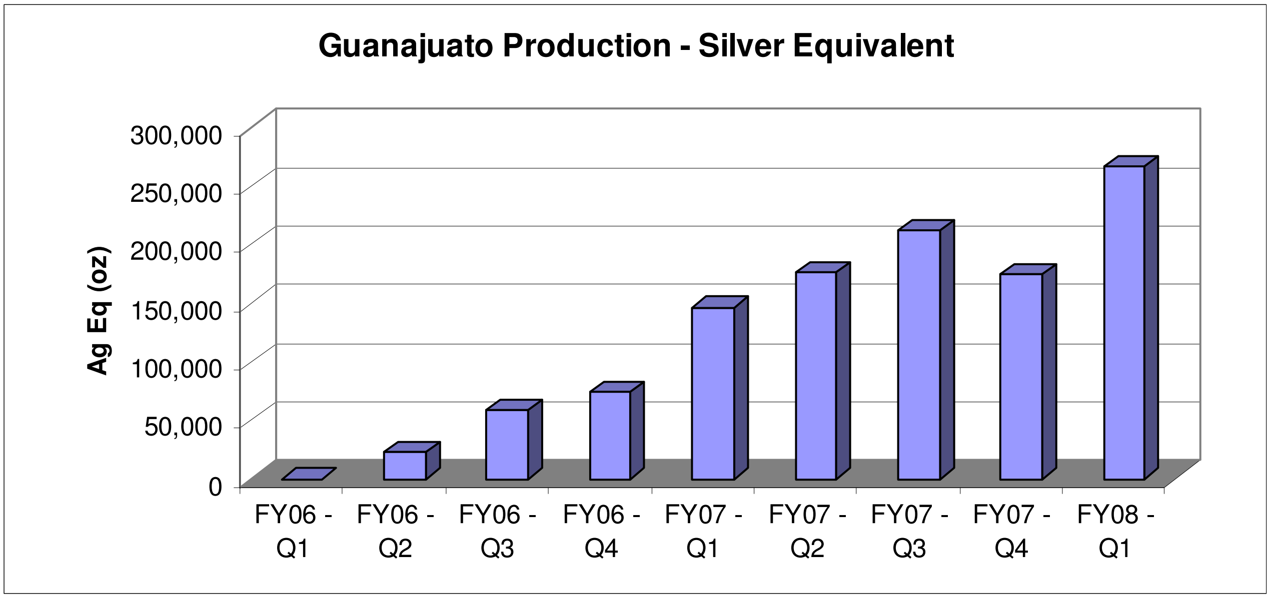
When compared to the fourth quarter of 2007, which was one of the highest grade quarters to date, the average gold grade increased from 0.86 g/t to 1.40 g/t while the silver grade increased from 113 g/t to 188 g/t resulting in a 65% increase in the silver equivalent grade from 156 g/t to 258 g/t. This was the main contributing factor to the record output of both gold and silver which, at 1,369 and 198,663 ounces respectively, was 45% and 56% higher than in the previous quarter.

Mill throughput for the quarter was 40,393 tonnes and metal recoveries improved from 71.2% to 75.5% for gold and from 77.1% to 81.5% for silver while the quality of concentrates improved from 4,460 gpt to 6,402 gpt silver. During March 2008, the flotation reagents were changed and it is expected that the quality of Guanajuato concentrates will improve further.

	FY08-Q1	***FY07-Q4***	***FY07-Q3***	***FY07-Q2***	***FY07-Q1***	***FY06-Q4***	***FY06-Q3***	***FY06-Q2***	***FY06-Q1 (6)***
Tonnes milled	40,393	45,773	60,031	48,403	49,761	39,932	36,106	10,073	-
Silver ounces	198,663	127,624	155,272	131,683	106,646	52,499	39,246	13,735	-
Gold ounces	1,369	946	1,147	903	798	420	387	181	-
Silver equivalent ounces (Ag Eq oz)	267,132	174,906	212,617	176,828	146,552	73,995	59,088	22,986	-

(6) Nil in FY06-Q1 as production commenced in June 2006.

Overall metals output, expressed in terms of silver equivalent ounces increased by 53% from 174,906 Ag Eq oz in the fourth quarter 2007 to 267,132 Ag Eq oz in the first quarter 2008. This increase in production is a direct result of improved control of mining operations to achieve the higher ore grades coupled with improved plant performance to achieve both higher metal recovery and concentrate quality.



Mining focused on the higher grade areas of Guanajuatito, Cata, Rayas and Promontorio. Production from the typically lower grade San Vicente area was much reduced. Mining of the North Zone of the Veta Madre in the Guanajuatito area has encountered high grade silver-gold ore which corresponds very well with results from earlier surface diamond drilling and is an integral part of the recent production turnaround being reported at the Guanajuato Mine (see news release April 7, 2008). An estimated 30% of the first quarter metals production was mined from this zone and it is expected to continue with cut-and-fill mining established on 2 levels.

Deep exploration diamond drilling to probe the yet unexploited area below the Cata Clavo continues to intersect the continuation of this historically rich ore zone. All drill holes have intersected significant mineralization in multiple zones with some demonstrating excellent widths and others, excellent grades.

Mining of the undercut for cut and fill mining is progressing on the 430 level and is verifying the expected high silver and gold values. The internal, inclined ore hoisting shaft, servicing the Cata area, has been re-commissioned and production from this level is expected to improve in the second quarter of 2008.

Mining at Rayas at the 345 and 365 levels continues to encounter high grade ore from both pillar recovery and mining of previously unexploited areas of the orebody.

Mining of the Promontorio area is underway on the 35 and 75 levels with excellent grades being encountered in the previously unexploited part of the Veta Madre.

A total of eight diamond drill holes were completed in the Deep Cata drill program for 1,613 metres. In addition, 362 meters were completed in short ore definition drill holes in Guanajuatito and Cata.

The new operations team at Guanajuato has already achieved significant improvements in the operations' performance. Mining is being conducted under tight geological control to mine higher quality and clearly profitable ore, and the operations management of the processing plant ensures metal recoveries are optimized while concentrate quality is improved, thereby significantly reducing freight and smelting charges.

A senior Canadian-based metallurgical consultant continues to provide valuable advice on the processing operation and directs a metallurgical testwork program being conducted in Canada to support the Guanajuato processing management.

The cash operating cost per ounce of silver at Guanajuato for the three months ended March 31, 2008 decreased to USD$10.51 from USD$13.95 in fiscal 2007. The decrease in cost per ounce is primarily due to the achievement of higher grades and consequently higher metals production for similar costs.

	Q1 2008		Fiscal 2007		Fiscal 2006	
	CAD Cost of Sales	Per USD Ag oz	CAD Cost of Sales	Per USD Ag oz	CAD Cost of Sales	Per USD Ag oz
Cash production costs	$ 2,292,578		$ 7,431,888		$ 2,907,079	
Site preparation	276,909		1,408,635		259,218	
Smelter and transportation	302,082		1,063,373		237,387	
Cost of sales	**2,871,569**		**9,903,896**		**3,403,684**	
By-product credits	(1,006,329)		(2,504,177)		(566,524)	
Cash operating costs	**$ 1,865,240**	**$ 10.51**	**$ 7,399,719**	**$ 13.95**	**$ 2,837,160**	**$ 26.66**

Cash Costs per Ounce of Silver (Non-GAAP Measures)

During the fourth quarter of 2007, the Company changed its method for calculating cash cost per ounce of silver. In the past, these calculations were based on produced ounces; however, the Company now calculates its cash cost per ounce on the more widely-used methodology based on the silver ounces for which the Company is paid. The Company is now also calculating its cost per ounce net of by-product credits which is a more commonly used industry practice.

The non-GAAP measure of cash cost per ounce of silver is used by the Company to manage and evaluate operating performance at each of the Company's mines and is widely reported in the silver mining industry as a benchmark for performance, but does not have a standardized meaning.

To facilitate a better understanding of this measure as calculated by the Company, we have provided a detailed reconciliation of this measure to our cost of sales, as reported in our audited Consolidated Statement of Operations for the first quarter of 2008 and fiscal 2007 and 2006.

		Quarter 1 2008			2007			2006		
		Topia	Guanjuato	Total	Topia	Guanjuato	Total	Topia	Guanjuato	Total
CAD Cost of sales		**1,689,673**	**2,871,569**	**4,561,242**	**6,212,737**	**9,903,896**	**16,116,633**	**3,715,363**	**3,403,684**	**7,119,047**
Add/(subtract):										
CAD Gross by-product revenue (7)		(1,071,982)	(1,006,329)	(2,078,311)	(3,992,422)	(2,504,177)	(6,496,599)	(2,523,927)	(566,524)	(3,090,451)
Cost of custom milling		(79,590)	-	(79,590)	(339,822)	-	(339,822)	(180,316)	-	(180,316)
CAD Cash Operating Costs		538,100	1,865,241	2,403,341	1,880,493	7,399,719	9,280,212	1,011,120	2,837,160	3,848,280
USD Cash Operating Costs	**A**	**537,026**	**1,861,517**	**2,398,544**	**1,749,654**	**6,884,869**	**8,634,523**	**865,981**	**2,429,907**	**3,295,888**
Payable Silver Production	**B**	**83,668**	**177,080**	**260,748**	**281,550**	**493,383**	**774,933**	**203,810**	**91,140**	**294,950**
USD Cash Cost per Ounce of Silver	**A/B**	**$ 6.42**	**$ 10.51**	**$ 9.20**	**$ 6.21**	**$ 13.95**	**$ 11.14**	**$ 4.25**	**$ 26.66**	**$ 11.17**

(7) Gross by-product revenue is revenue, before smelting and refining (which is expensed in cost of sales), derived from the by-products of silver, specifically gold, lead and zinc at Topia and gold at Guanajuato.

PRIMARY MINERAL EXPLORATION PROPERTIES

The Company currently has two significant exploration properties known as the Mapimi Project and the San Antonio Project.

Mapimi Project

In its Phase I drilling program in early 2007, Great Panther completed 29 diamond drill holes on La Gloria and Las Palmitas. Results of this drilling were used by Wardrop Engineering for the purpose of obtaining a new resource estimate for the property. This was released on March 19, 2008 and consists of 28.6 million Ag Eq oz comprising, an Indicated Mineral Resource of 22.3 million Ag Eq oz and an additional 6.3 million Ag Eq oz in the Inferred category. The new resource is being used as the basis for a preliminary scoping study to determine the potential for an open pit mine.

The Company continued its delineation drilling on the La Gloria Zone in October 2007 in an attempt to expand the known resource. A new zone of silver-lead-zinc mineralization, La Gloria East, was discovered and, although of lower grade, is still open to the north. This Phase II drilling continued into 2008 as the Company tested two large and intense geophysical anomalies that are interpreted to reflect sulphide mineralization. Results of this work are pending and the drilling program is ongoing. At the date of this MD&A, a total of 51 holes had been drilled by Great Panther on the Mapimi Project.

San Antonio Project

The San Antonio Project hosts a district-scale gold-copper system with epithermal veins that may be related to a buried porphyry. In early 2007, field crews identified specific targets for a diamond drilling program that was conducted in the fourth quarter of that year. No field work was conducted on the property during the first quarter of 2008 as the results of the drilling programs were compiled and reviewed.

As Great Panther is focused on silver exploration and production, the gold-copper San Antonio Project became a non-core asset and the decision was made to option it to another company. Under the terms of an option agreement, Altair Ventures Inc. can earn a 70% interest in the property by spending $1,000,000 on exploration and making certain cash payments and share issuances to Great Panther over a 4-year period. Great Panther owns a 100% interest in the San Antonio Property and is the operator of the project. During the first quarter of 2008, Altair renewed its option on the property by making a cash payment of $30,000 and issuing 50,000 shares of Altair to Great Panther.

SELECTED QUARTERLY INFORMATION (in dollars)

	FY08-Q1	*FY07-Q4*	*FY07-Q3*	*FY07-Q2 (Restated)*	*FY07-Q1 (Restated)*	*FY06-Q4*	*FY06-Q3*	*FY06-Q2*	*FY06-Q1*
Revenue	6,451,723	5,267,117	4,899,422	3,146,969	4,173,562	3,876,592	1,828,398	959,062	405,390
Cost of Sales (excluding amortization and depletion)	4,561,242	5,141,291	4,351,708	2,845,645	3,777,989	3,664,827	1,960,363	738,227	755,630
General and administrative	1,635,411	1,434,779	1,173,228	865,295	1,199,060	1,523,169	665,532	1,521,574	698,356
Stock-based compensation	0	0	444,000	504,500	181,000	3,165,270	23,216	184,788	1,299,500
Loss for the period	(2,418,207)	(6,514,559)	(4,029,795)	(5,750,022)	(3,406,485)	(7,785,139)	(1,289,174)	(3,036,687)	(2,973,437)
Basic loss per share	(0.03)	(0.08)	(0.06)	(0.08)	(0.05)	(0.12)	(0.02)	(0.06)	(0.05)
Cash and Cash equivalent	5,138,215	5,357,977	2,523,680	2,401,239	5,579,424	9,208,048	12,941,744	16,173,126	2,628,869
Current assets	12,582,084	12,965,297	9,106,236	8,095,981	11,924,549	14,755,373	18,483,031	19,723,684	4,644,454
Working capital	9,481,430	10,659,942	6,813,319	4,909,509	10,180,448	12,533,156	14,958,996	16,519,943	2,856,603

QUARTERLY TRENDS

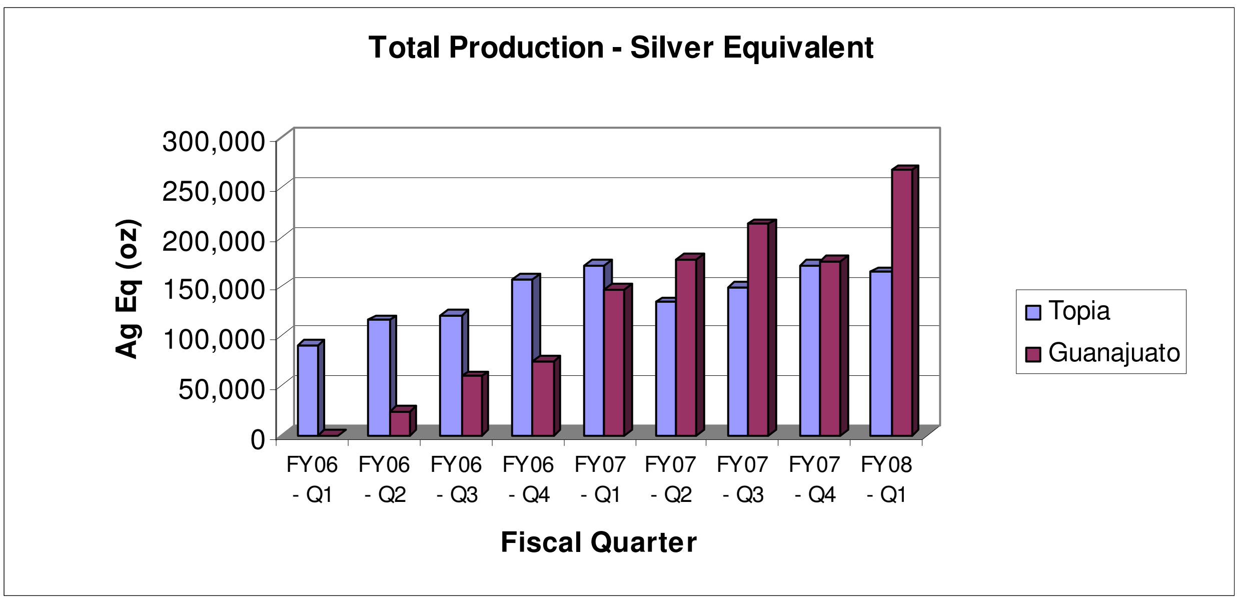
The climate in Mexico allows mining and exploration activities to be conducted throughout the year. Therefore, revenue and cost of sales do not exhibit variations due to seasonality. Revenue will vary based on the quantity of silver production and metal prices. Mineral property expenditures can vary from quarter to quarter depending on when option payments are due and the stage of the exploration program (e.g. drilling may slow down for a period of time while results are analyzed, resulting in lower costs during that period).

There can also be significant variances in the Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results. For example, the granting of incentive stock options, which results in the recording of amounts for stock-based compensation can be quite large in any given quarter.

FIRST QUARTER DISCUSSION

The Company earned revenue of $6.5 million during the first quarter of operations in 2008 compared to revenue of $4.2 million for the same period in 2007, an increase of 55%. This increase can largely be attributed to the increase in production at both the Topia and Guanajuato mines as well as a general increase in metal prices. Silver, gold and lead prices increased year over year by 33%, 43%, and 62%, respectively, while the price of zinc decreased by 29%. The combined output at Topia and Guanajuato for the first quarter was 431,639 Ag Eq oz compared with 318,443 Ag Eq oz for the same period in 2007, an increase of 36%.

Gross revenue increased by $1.2 million, or 22%, during the first quarter 2008 compared to the fourth quarter 2007. Combined output increased 84,910 silver equivalent ounces or 24% quarter over quarter. Increases in silver and gold prices quarter over quarter were partially offset by a decrease in lead and zinc prices.



The Company is continuing diamond drilling and development work at both mine sites to define higher grade areas for mining.

At Topia, development work continues on many veins with priority on the Argentina and the Don Benito veins, where recent good grades and better widths are already resulting in an increase in production. A further increase in production is expected from these veins in the current year to replace other lower grade areas and areas that become exhausted.

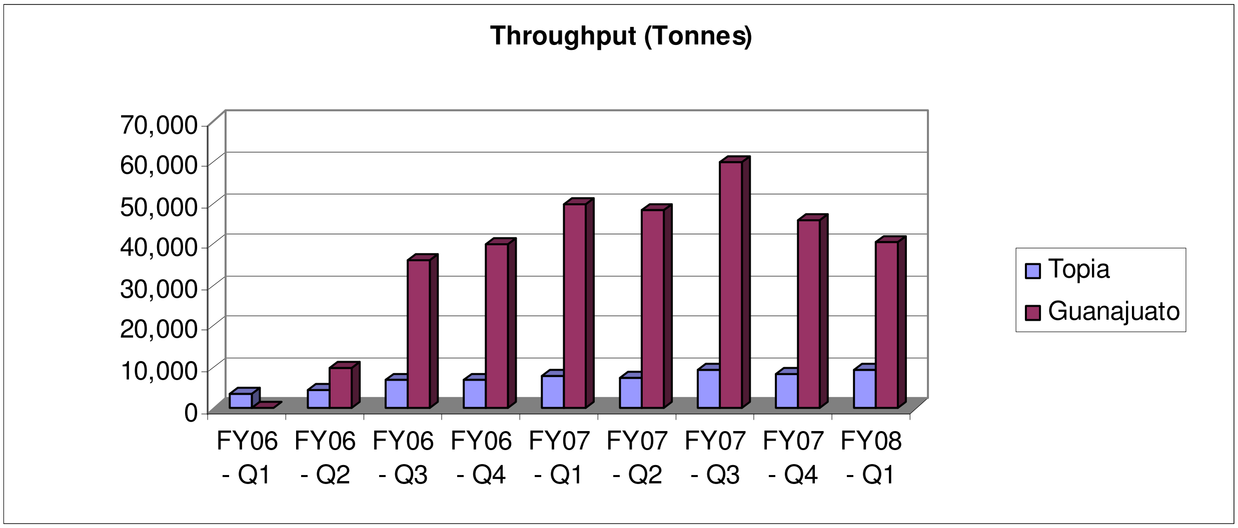
The surface drill program at Guanajuato had identified several new zones of silver-gold mineralization in the Promontorio / Garrapata area, the southern-most part of the Guanajuato mine complex. Although this is an area of old workings, parts of the main Veta Madre vein remain and there are several sub–parallel veins to be exploited. The Veta Madre vein has been accessed on the 35-metre level and development is underway on the 75-metre level and production will continue to improve from this area.

The Cata Clavo was accessed by level development on the -430 metre level with very high grades being encountered. The internal inclined hoisting shaft has been re-commissioned and is being used to hoist ore from this level. The access decline is being deepened to provide access to the next 460-metre level.

The North Zone of Guanajuatito is accessed by a decline to the -20 metre level. Production from this zone is by cut-and-fill mining from the -20 and +20 levels while the decline is being driven towards the next -45 level.

Mining of ore pillars and remnants at the San Vicente mine has been reduced while the recovery of higher grade pillars at the Rayas mine has been prioritized.

Total throughput for the Topia and Guanajuato operations for the first quarter 2008 was 49,850 tonnes compared to 57,922 tonnes during the first quarter 2007. Throughput also decreased relative to the fourth quarter 2007, where 54,301 tonnes was processed. Although throughput has decreased, the both the grade of the ore being mined and the metal recoveries have improved, resulting in higher silver equivalent production and therefore higher revenue, particularly at Guanajuato.



Cost of sales (excluding amortization and depletion) was $4.6 million for the three months ended March 31, 2008 compared to $3.8 million for the same period in 2007. The year over year increase in cost of sales is primarily due to an increase in silver equivalent production, as well as higher smelting and refining rates. On a per silver ounce basis, costs have decreased. Revenue net of cost of sales increased by 378% to $1.9 million for the first quarter of 2008 from $0.4 million for the same period in 2007.

For the three months ended March 31, 2008, amortization and depletion of mineral properties, plant and equipment increased by $0.2 million compared with the corresponding period in 2007. This increase is due to capital additions made during 2007.

Mineral property exploration costs increased to $1.8 million for the three months ended March 31, 2008 from $1.3 million for the three months ended March 31, 2007. Exploration costs, although expensed during the quarter (in accordance with the Company's accounting policies), may provide future economic benefits as the zones identified go into production.

General and administrative expenses ("G&A") were $1.6 million for the three months ended March 31, 2008 compared to $1.2 million for the same period in 2007. The increase of $0.4 million was partially due to the write-off of $0.2 million of potentially uncollectible Value-Added Tax receivable from its Mexican subsidiary. The balance of the increase is due to the growth of the Company during 2007, which included adding two new senior management positions and significantly increasing the depth of the accounting and financial reporting department, the impact of which was not fully reflected in the first quarter of 2007.

The Company did not incur any non-cash stock-based compensation expense in the first quarter of 2008 because no stock options were granted during the period, compared with $0.2 million in the first quarter of 2007.

The Company incurred a loss of $2.6 million for the quarter ended March 31, 2008, compared to a loss of $3.2 million for the quarter ended March 31, 2007 because the increase in earnings from mining operations was greater than the increase in G&A and mineral property expenditures.

LIQUIDITY AND CAPITAL RESOURCES

The Company currently has mining operations that are generating cash flow. The economic viability of the operations has begun to be realized. The financial success of the Company relies on management's ability to continue the successful exploration, development and operation of its mines, to develop its exploration properties and achieve profitable operations.

In order to finance its operations, exploration activities and corporate overhead, the Company is dependent on investor sentiment remaining positive towards the gold and silver exploration business generally, and specifically towards Great Panther. Many factors have an influence on investor sentiment, including a positive climate for mineral exploration, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding, if required, would be available to finance the Company's future activities.

Cash and Financial Conditions

The Company had cash and cash equivalents of $5.1 million as at March 31, 2008 as compared to $5.6 million as at March 31, 2007. This small decrease is mainly attributed to expenses incurred in exploration and the purchase of capital assets and the rehabilitation of the mines, partially offset by the proceeds of the exercise of warrants and options, a convertible note financing, and positive operational cash flow now being generated by the two mines.

The Company had working capital of $9.5 million as at March 31, 2008 compared with working capital of $10.1 million as at March 31, 2007. There is no assurance that working capital and the possible exercise of outstanding warrants, together with net revenues from increasing production, will be adequate to fund the Company's activities and to cover corporate overhead for the next twelve months, especially if the Company proceeds with significant exploration activities.

Great Panther does not have access to any lines of credit, nor other arrangements in place, to borrow funds. The Company also does not have any off-balance sheet financing arrangements. At this time, Great Panther does not use hedges or other financial derivatives.

Operating Activities

Cash flow used in operating activities, after working capital adjustments, decreased by $3.1 million from $3.451 million to $0.329 million during the three month period ended March 31, 2007. This decrease was primarily due to positive cash flow being generated by the mines as well as the collection of the Value Added Tax receivable in Mexico.

Investing Activities

For the three months ended March 31, 2008, the Company had a net cash outflow from investing activities, primarily for the purchase of mineral properties and capital assets, of $0.3 million compared with $0.9 million for the three months ended March 31, 2007.

Financing Activities

For the three months ended March 31, 2008, the Company raised proceeds of $0.4 million through the exercise of options.

Outlook

Great Panther continues to experience strong growth. The Company is achieving this through continuously improving its operations and by exploring elsewhere for new growth opportunities.

The Company has completed much of the work necessary to rehabilitate the operations such that production is assured. The Company's operating strategy going forward is to enhance mine exploration and development by focusing on higher grade areas, to strictly control, and thereby increase, production grade, and to continuously improve plant performance in order that the operations are clearly profitable. From this solid foundation, the production throughput will be increased and other opportunities can be exploited.

A preliminary scoping study is being conducted on the newly enhanced resource at the Mapimi Project to determine the potential viability of the La Gloria Zone. In addition, the Company is actively exploring other targets on the property with the aim of identifying and delineating additional resources.

The management of the Company believes that there are adequate funds currently available to maintain its current operations. However, should Great Panther decide to pursue a significant exploration drilling program, the Company will likely be relying on the equity markets to meet its financing needs during the next 12 months.

Obligations

The following table outlines the contractual obligations of the Company at March 31, 2008:

Payment due by Period					
	Total	***Less than 1 year***	***1 – 3 Years***	***4 – 5 Years***	***After 5 years***
Long-term debt	$ 6,164,000	$ 94,000	$ 2,020,000*	$ 4,050,000*	-
Purchase and lease obligations	3,350,000	793,000	1,728,000	829,000	-
Total obligations	$ 9,514,000	$ 887,000	$ 3,748,000	$ 4,879,000	-

* These payments relate to the Convertible Notes which may be converted into common shares of the Company at the holders' option at any time.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into the following transactions with related parties:

	March 31, 2008	March 31, 2007
Consulting fees paid or accrued to companies controlled by directors of the Company	$ 132,626	$ 137,000
Consulting fees paid or accrued to companies controlled by officers of the Company	$ 59,895	$ 99,745
Cost recoveries received or accrued from a company with a common director of the Company	$ 46,686	$ 1,205
Office and administration fees paid or accrued to a company controlled by a director of the Company	$ 9,788	$ 9,661

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

(a) Capital Disclosures:
Section 1535, *Capital Disclosures*, requires additional disclosures about the Company's capital and how it is managed. The additional disclosure includes quantitative and qualitative information regarding the Corporation's objectives, policies and processes for managing capital. The new disclosures are provided in Note 14 of the accompanying consolidated financial statements.

(b) Financial Instruments – Disclosure and Presentation:
Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*, replace Section 3861, *Financial Instruments – Disclosure and Presentation*, requiring disclosures of both qualitative and quantitative information on the nature and extent of risks arising from financial instruments to which the Company is exposed and how it manages those risks. The new disclosures are provided in Notes 15 and 16.

(c) Inventories:
Effective January 1, 2008, the Company adopted Section 3031, *Inventories*, which replaces Section 3030. The new standard provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. The Section also provides guidance on the cost formulas that are used to assign costs to inventories.

The Company's production inventories are measured at the lower of weighted average cost and net realizable value. Costs include all directly related to production, variable production costs, and fixed overhead. Materials and supplies inventory, which includes the cost of consumables used in operations such as fuel, grinding media, chemicals and spare parts, are stated at the lower of average cost and replacement cost. Major spare parts and standby equipment are included in property, plant, and equipment when they are expected to be used during more than one period or if they can only be used in connection with an item of property, plant, and equipment.

The adoption of this new standard had no financial effect on the consolidated financial statements.

NEW ACCOUNTING STANDARDS

(a) Goodwill and Intangible Assets:
Section 3064, *Goodwill and Intangible Assets*, establishes revised standards for recognition, measurement, presentation, and disclosure of goodwill and intangible assets. The standard is effective for interim and annual financial statements beginning January 1, 2009. The Company does not expect the adoption of this Section to have a significant effect on its financial statements.

(b) International Financial Reporting Standards ("IFRS"):
In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The transition date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

SECURITIES OUTSTANDING

At the date of this MD&A, the Company had 81,144,352 common shares issued and 9,381,374 warrants and options outstanding.

Three convertible notes with a total carrying value of $6,070,000 carry a conversion feature whereby they may be converted into 3,330,303 common shares of the Company at a weighted average price of $1.82 per share.

Fully diluted, the issued and outstanding shares of the Company would be 93,856,029.

ADDITIONAL DISCLOSURE REQUIREMENTS

Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed under Canadian and U.S. securities regulations is recorded, processed, summarized and reported within the time periods specified and is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

An evaluation was carried out under the supervision of, and with the participation of, our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as such term is defined in the Exchange Act, as amended, Rules 13a-15(e) and 15d-15(e)) as of March 31, 2008. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2008.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934 (the "Exchange Act").

Under the supervision and with the participation of our Company's Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of our internal control over financial reporting, as of March 31, 2008, based on the framework set forth in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management concluded that our internal control over financial reporting was effective as of March 31, 2008.

KPMG LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2007, as stated in their report which accompanies the annual consolidated financial statements.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to affect our internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Great Panther's control, including but not limited to: the execution and outcome of current or future exploration activities; information included or implied in the various independently produced and published technical reports; anticipated drilling and resource estimation plans; cash flows; currency fluctuations; increases in production costs; differences in recovery rates from those expected; and other general market and industry conditions.

Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Great Panther will derive from them.

The Company disclaims any intention and assumes no obligation to update any forward-looking statements, even if new information becomes available, as a result of future events or for any other reason. Risks that could cause the Company's actual results to materially differ from its current expectations are described in

Great Panther's 2007 Annual Management's Discussion and Analysis. The risk profile of the Company as at the date of this MD&A remains substantially the same.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Great Panther Resources Limited can be found on SEDAR at www.sedar.com and EDGAR at http://sec.gov/edgar.shtml or the Company's website at www.greatpanther.com.