GREAT PANTHER RESOURCES LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 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)

	June 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 4,428,801	$ 5,357,977
Marketable securities	35,809	39,795
Amounts receivable (note 5)	3,039,245	5,879,243
Income taxes recoverable	552,378	363,220
Inventories (note 6)	1,265,665	748,473
Prepaid expenses, deposits and advances	476,707	576,589
	9,798,605	12,965,297
Mineral properties, plant and equipment (note 7)	16,807,695	18,087,813
	$ 26,606,300	$ 31,053,110
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,329,932	$ 2,216,730
Current portion of long-term debt (note 9(a))	98,912	88,625
	2,428,844	2,305,355
Long-term liabilities:		
Convertible loan notes (note 9(b))	4,328,482	4,028,611
Asset retirement obligations	1,229,554	1,101,171
Future income tax liability	1,966,961	2,421,504
	9,953,841	9,856,641
Shareholders' equity:		
Capital stock (note 10)	57,657,431	56,988,447
Contributed surplus (note 10(c))	7,671,442	6,261,116
Equity component of convertible note	2,569,000	2,569,000
Accumulated other comprehensive income (loss) (note 11)	(8,168)	5,945
Deficit	(51,237,246)	(44,628,039)
	16,652,459	21,196,469
Continuing operations (note 1)		
Commitments and contingencies (note 17)		
	$ 26,606,300	$ 31,053,110

See accompanying notes to the 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 and six months ended June 30, 2008 and 2007

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Revenues:				
Mineral sales	$ 7,397,809	$ 3,146,969	$ 13,849,532	$ 7,320,531
Cost of sales (excluding amortization and depletion)	5,627,263	2,845,645	10,188,505	6,623,634
	1,770,546	301,324	3,661,027	696,897
Expenses:				
Amortization and depletion of mineral properties, plant and equipment	1,154,655	874,569	2,147,279	1,698,185
Accretion on asset retirement obligation	65,333	5,836	128,695	11,954
Mineral property exploration expenditures (note 8)	2,008,224	2,194,382	3,794,616	3,469,585
General and administrative	1,623,617	865,295	3,259,028	2,064,355
Stock-based compensation	1,547,350	504,500	1,547,350	685,500
	6,399,179	4,444,582	10,876,968	7,929,579
	(4,628,633)	(4,143,258)	(7,215,941)	(7,232,682)
Other income (expenses):				
Interest income	117,633	4,483	195,025	142,623
Interest expense	(279,069)	(94,064)	(552,094)	(276,178)
Foreign exchange gain (loss)	97,099	(1,259,636)	257,307	(1,355,093)
	(64,337)	(1,349,217)	(99,762)	(1,488,648)
Loss before provision for income taxes	(4,692,970)	(5,492,475)	(7,315,703)	(8,721,330)
Provision for income taxes (note 13)	501,970	(257,547)	706,496	(435,177)
Loss for the period	$ (4,191,000)	$ (5,750,022)	$ (6,609,207)	$ (9,156,507)
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on marketable securities	(1,299)	32,000	(14,113)	32,000
Comprehensive loss for the year	$ (4,192,299)	$ (5,718,022)	$ (6,623,320)	$ (9,124,507)
Diluted and basic loss per share	$ (0.05)	$ (0.08)	$ (0.08)	$ (0.13)
Weighted average number of common shares outstanding	81,185,852	70,922,716	81,143,124	70,613,304

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 and six months ended June 30, 2008 and 2007

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Deficit, beginning of the period	$ (47,046,246)	$ (28,333,663)	$ (44,628,039)	$ (24,927,178)
Loss for the period	(4,191,000)	(5,750,022)	(6,609,207)	(9,156,507)
Deficit, end of the period	$ (51,237,246)	$ (34,083,685)	$ (51,237,246)	$ (34,083,685)

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 and six months ended June 30, 2008 and 2007

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Cash flows used in operating activities:				
Loss for the period	$ (4,191,000)	$ (5,750,022)	$ (6,609,207)	$ (9,156,507)
Items not involving cash:				
Amortization and depletion of mineral properties, plant and equipment	1,084,590	874,569	2,219,720	1,698,185
Foreign exchange gain on debt	1,769	47,159	2,529	47,159
Stock-based compensation	1,547,350	504,500	1,547,350	685,500
Future income tax	(252,085)	-	(454,543)	-
Interest accretion on debt discount	2,967	29,024	7,446	83,723
Interest accretion on convertible note payable	152,740	52,335	299,871	111,968
Accretion on asset retirement obligations	65,333	5,836	128,695	11,954
Changes in non-cash operating working capital:				
Marketable securities	(10,127)	(33,000)	(10,127)	(33,000)
Amounts receivable	1,933,969	841,214	2,839,998	(90,677)
Inventories	165,107	(441,430)	(517,192)	(513,506)
Prepaid expenses and deposits	105,427	315,599	99,882	521,766
Accounts payable and accrued liabilities	(676,859)	1,547,928	113,202	1,114,728
Income taxes	(121,610)	31,575	(189,158)	92,934
Net cash used in operating activities	(192,429)	(1,974,713)	(521,534)	(5,425,973)
Cash flows used in investing activities:				
Mineral properties and capital expenditures	(688,945)	(1,501,335)	(939,602)	(2,361,114)
Net cash used in investing activities	(688,945)	(1,501,335)	(939,602)	(2,361,114)
Cash flows from financing activities:				
Repayment of long-term debts	-	(232,710)	-	(393,608)
Proceeds from exercise of warrants	142,710	442,823	142,710	1,191,636
Proceeds from exercise of options	29,250	87,750	389,250	182,250
Net cash from financing activities	171,960	297,863	531,960	980,278
Increase (decrease) in cash and cash equivalents	(709,414)	(3,178,185)	(929,176)	(6,806,809)
Cash and cash equivalents, beginning of period	5,138,215	5,579,424	5,357,977	9,208,048
Cash and cash equivalent, end of period	$ 4,428,801	$ 2,401,239	$ 4,428,801	$ 2,401,239

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 and six months ended June 30, 2008 and 2007

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	Six months ended June 30, 2007
Supplementary cash flow information:				
Income taxes received	$ 70,741	$ -	$ -	$ -
Income taxes paid	-	153,496	160,917	295,955
Interest income received	105,360	26,522	179,526	100,688
Interest expense paid	121,869	40,400	243,284	80,800

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 six months ended June 30, 2008 and 2007, the Company recorded losses of approximately $6,609,000 and $9,157,000, respectively, and used cash in operations of approximately $522,000 and $5,426,000, respectively. As at June 30, 2008, the Company had an accumulated deficit of approximately $51,237,000 and a working capital balance of $7,370,000.

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*, require 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.

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 cost 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 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.

(Expressed in Canadian dollars)

(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:

	June 30, 2008	December 31, 2007
Value added tax recoverable	$ 1,226,925	$ 3,037,482
Trade accounts receivable	2,022,352	2,515,477
Other	128,429	436,284
	3,377,706	5,989,243
Allowance for doubtful amounts	(338,461)	(110,000)
	$ 3,039,245	$ 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.

6. Inventories:

	June 30, 2008	December 31, 2007
Finished product	$ 211,438	$ 311,357
Ore stockpile	65,746	29,319
Materials and supplies	988,481	407,797
	$ 1,265,665	$ 748,473

(Expressed in Canadian dollars)

7. Mineral properties, plant and equipment:

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

	June 30, 2008	December 31, 2007
Topia Mine:		
Mineral properties	$ 2,410,851	$ 2,167,106
Plant and equipment	5,741,325	5,660,608
Buildings and mobile equipment	403,803	393,346
Asset retirement obligations	546,254	546,254
	9,102,233	8,767,314
Accumulated depreciation and depletion	(3,131,410)	(2,177,831)
	5,970,823	6,589,483
Guanajuato Mines:		
Mineral properties	4,054,739	3,978,063
Plant and equipment	5,296,133	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
	14,502,668	13,935,560
Accumulated depreciation and depletion	(3,969,118)	(2,753,990)
	10,533,550	11,181,570
Santo Nino	68,542	68,542
Leasehold improvements and other equipment, net of accumulated depreciation of $170,877 (2007 - $123,957)	234,780	248,218
	$ 16,807,695	$ 18,087,813

(Expressed in Canadian dollars)

8. Mineral property exploration expenditures:

The continuity of expenditures on mineral properties for six months ended June 30, 2008 is as follows:

	San Antonio	Santo Nino	San Taco	Topia Main Block	Topia II to IV	Guanajuato	Virimoa	Mapimi	2008
Analysis	$ -	$ -	$ -	$ 22,712	$ -	$ 86,610	$ -	$ 75,326	$ 184,648
Drilling	-	-	-	300,124	-	546,482	-	722,205	1,568,811
Field costs	3,514	-	-	20,699	-	593	-	30,443	55,249
Geology	3,518	-	-	137,456	-	390,654	-	347,687	879,315
Project administration	17,163	-	-	14,218	-	139,777	-	86,487	257,645
Mine exploration costs	-	-	-	915,478	-	-	-	-	915,478
	24,195	-	-	1,410,687	-	1,164,116	-	1,262,148	3,861,146
Cost Recoveries	(66,530)	-	-	-	-	-	-	-	(66,530)
	(42,335)	-	-	1,410,687	-	1,164,116	-	1,262,148	3,794,616
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	$167,739	$489,654	$425,465	$7,227,985	$ 168,144	$5,422,035	$369,788	$4,345,634	$18,616,444

9. Long-term debt:

(a) Long-term debt:

	June 30, 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	$ 101,971	$ 99,130
Less: unamortized discount	(3,059)	(10,505)
	98,912	88,625
Current portion	(98,912)	(88,625)
	$ -	$ -

Interest accreted on long-term debt totaled $7,446 in 2008 (2007 – $83,723).

(Expressed in Canadian dollars)

9. Long-term debt (continued):

(b) Convertible loan notes:

		June 30, 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 18.80%. Interest accreted on the note payable during the period ended June 30, 2008 was $134,550 (2007 - $111,969)	$	1,533,057	$	$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 12.38%. Interest accreted on the notes payable during the period ended June 30, 2008 was $165,321 (2007 - $nil).		2,795,425		2,630,104
	$	4,328,482	$	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 warrants	100,500		142,710
Exercise of options	445,000		389,250
Reclassification from contributed surplus on exercise of options	-		150,433
Repricing of broker warrants	-		(13,409)
Balance, June 30, 2008	81,289,852	$	57,657,431

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		(150,433)
Stock-based compensation		1,104,200
Repricing of broker warrants		13,409
Repricing of stock options		443,150
Balance, June 30, 2008	$	7,671,442

(Expressed in Canadian dollars)

10. Capital stock (continued):

(d) Stock options:

The continuity of common stock options for the six months ended June 30, 2008 is as follows:

Exercise price	Expiry date	Balance December 31, 2007	Granted	Cancelled/ expired	Cashless Exercise	Exercised	Balance June 30, 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	-	-	-	(25,000)	125,000
0.45	July 26, 2010	400,000	-	-	-	-	400,000
0.90	January 5, 2011	1,201,700	-	-	-	(20,000)	1,181,700
0.90	January 14, 2008	400,000	-	-	-	(400,000)	-
1.42	January 14, 2008	400,000	-	(400,000)	-	-	-
1.42	December 06, 2011	2,105,000	-	(140,000)	-	-	1,965,000
1.42	March 11, 2012	115,000	-	(15,000)	-	-	100,000
1.42	June 05, 2012	375,000	-	-	-	-	375,000
1.42	September 10, 2012	550,000	-	(25,000)	-	-	525,000
1.42	April 30, 2010	-	350,000	-	-	-	350,000
1.42	May 14, 2013	-	1,485,000	-	-	-	1,485,000
		6,276,700	1,835,000	(580,000)	-	(445,000)	7,086,700
Weighted average exercise price		$ 1.71	$ 1.42	$ 2.62	-	$0.87	$1.18

As at June 30, 2008, all share options are fully vested. The weighted average remaining contractual life of the options is 3.25 years.

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 was no change in the expiry date, which remained June 1, 2008. The amendment became effective April 23, 2008.

The Company also amended the exercise price to $1.42 of 2,070,000 outstanding incentive stock options previously exercisable at $2.65 and 925,000 outstanding incentive stock options previously exercisable at $2.00. The reduction in the exercise price became effective on April 23, 2008. An expense of $443,150 related to the re-pricing of the options has been included in stock-based compensation expense.

(e) Warrants:

The continuity of warrants for the six months ended June 30, 2008 is as follows:

Series	Exercise price(Repriced)	Expiry date	Balance December 31, 2007	Issued	Exercised	Expired	Balance June 30, 2008
Series “K” Warrants	1.42	June 1, 2008	3,621,999	-	(100,500)	(3,521,499)	-
Broker Warrants	1.42	June 1, 2008	479,375	-	-	(479,375)	-
			4,101,374	-	(100,500)	(4,000,874)	-

(Expressed in Canadian dollars)

(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.

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.

The Plan was ratified on June 27, 2008 and will continue until the annual general meeting of shareholders in 2012.

11. Accumulated other comprehensive income:

	June 30, 2008	December 31, 2007
Balance, beginning of period	$ 5,945	$ -
Unrealized gain (loss) on marketable securities	(14,113)	5,945
Balance, end of period	$ (8,168)	$ 5,945

(Expressed in Canadian dollars)

12. Related party transactions:

The Company entered into the following transactions with related parties:

	Three months ended	June 30,	Six months ended	June 30,
	2008	2007	2008	2007
Consulting fees paid or accrued to companies controlled by directors of the Company	$ 154,676	$ 149,000	$ 287,302	$ 286,000
Consulting fees paid or accrued to companies controlled by officers of the Company	61,777	100,809	121,672	200,554
Cost recoveries received or accrued from a company with a common director of the Company	19,844	149,448	66,530	275,507
Office and administration fees paid or accrued to a company controlled by a director of the Company	9,316	10,701	19,103	20,362

As at June 30, 2008, $76,479 (2007 - $61,005) 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 $28,215 (2007 - $124,853) and were included in amounts receivable.

13. Income taxes:

Provision for income taxes:

	June 30, 2008	June 30, 2007
Current income taxes	$ 28,240	$ (435,177)
Future income taxes	678,256	-
	$ 706,496	$ (435,177)

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.

(Expressed in Canadian dollars)

14. Capital management (continued):

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 June 30, 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.

As at June 30, 2008, total managed capital was $16,651,052, comprised of:

	June 30, 2008	December 31, 2007
Total debt [1]	$ 4,427,394	$ 4,117,236
Less: Cash	4,428,801	5,357,977
Net cash	1,407	1,240,741
Shareholders' equity	16,652,459	21,196,469
Adjusted capital	$ 16,651,052	$ 19,955,728
Debt to adjusted capital ratio	(0.00)	(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 six months ended June 30, 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 is based on current bid prices at June 30, 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 June 30, 2008.

15. Fair value of financial instruments (continued):

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 six months ended June 30, 2008, a fair value adjustment of $14,113 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 $338,461 has been provided for potentially uncollectible VAT as at June 30, 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 June 30, 2008, the trade accounts receivable balance totaled $2,022,352 of which $1,796,776 is due within 60 days and the balance of $225,576 is due from 60

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

to 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.

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 June 30, 2008 are as follows:

	June 30, 2008	December 31, 2007
MXN Peso to CDN Dollar	0.099	0.091
US Dollar to CDN Dollar	1.020	0.991

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

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.

(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 June 30, 2008, interest rates on guaranteed investment certificates ranged from 1.60% to 2.75% 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 June 30, 2008, market prices were US$17.65/oz for silver, US$930/oz for gold, US$1,735/tonne for lead, and US$1,870/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.

(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 1.60% – 2.75% as of June 30, 2008.

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

- Proportional foreign exchange movement of -10% (depreciation of CAD) and +10% (appreciation of CAD) against the USD, from the June 30, 2008 CAD to USD exchange rate of 0.981.

  Proportional foreign exchange movement of -10% (depreciation of CAD) and +10% (appreciation of CAD) against the Mexican peso, from the June 30, 2008 CAD to Mexican peso exchange rate of 10.116.

- A parallel shift of +10%/-10% from the prevailing commodity prices of US$930/oz for gold, US$17.65/oz for silver, US$1,735/tonne for lead, and US$1,870/tonne for zinc as of June 30, 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	1,708	(17)	17	-	-	-	-
USD	2,309	(23)	23	256	(210)	-	-
Pesos	412	(4)	4	46	(37)	-	-
Amounts receivable							
USD	1,979	-	-	220	(180)	(197)	197
Pesos	931	-	-	103	(85)	-	-
Inventories							
Pesos	1,266	-	-	141	(115)	-	-
Financial liabilities							
Accounts payable and accrued liabilities							
USD	777	-	-	(86)	71	-	-
Pesos	1,148	-	-	(127)	104	-	-
Total Increase (Decrease)		(44)	44	553	(452)	(197)	197

(1) Cash and cash equivalents include guaranteed investment certificates which are at fixed and floating interest rates.

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”)) in respect of employees of a former contractor, who was fully paid all contracted amounts, 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 purported owing to the IMSS.

17. Commitments and contingencies (continued):

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 June 30, 2008 is approximately $569,000.

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 $724,000 in 2008, $842,000 in 2009, $842,000 in 2010, and $842,000 in 2011.

(d) The Company is committed to operating lease payments of $96,000 in 2008 and $81,000 in 2009.

(e) Commitments to purchase capital equipment as at June 30, 2008 are $870,000.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2008

This Management's Discussion and Analysis ("MD&A") prepared as of August 13, 2008, reviews the financial condition and results of operations of Great Panther Resources Limited ("Great Panther" or the "Company") for the six month financial period ended June 30, 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 June 30, 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.

SECOND QUARTER HIGHLIGHTS

Mine Production & Development

- 135% increase in mineral sales revenue to $7.4 million for the three months ended June 30, 2008 from $3.1 million for the three months ended June 30, 2007. 89% increase to $13.8 million for the six months ended June 30, 2008 from $7.3 million for the same period in 2007.

- 488% increase in earnings from mining operations(1) to $1.8 million in the second quarter 2008 from $0.3 million for the second quarter 2007. 425% increase to $3.7 million for the six months ended June 30, 2008 from $0.7 million for the same period in 2007.

- 41% increase in total quarterly production to 436,072 silver equivalent ounces (Ag Eq oz) in the second quarter 2008 from 310,350 Ag Eq oz in the second quarter 2007. 40% increase in total year to date production to 867,711 Ag Eq oz from 628,793 Ag Eq oz.

Exploration

- Deep drilling at Cata Mine returns 15.94 metres @ 1,305g/t silver and 4.60g/t gold and discovered new base metal rich zone at depth of 600 metres.

- Molybdenum-rich skarn and replacement style Ag-Pb-Zn mineralization discovered at Mapimi Project in Durango.

- High grade silver-lead-zinc mineralization extended at Argentina Vein at Topia Mine in Durango. The mineral resource estimate comprises Measured & Indicated Mineral Resources of 153,373 tonnes at 501g/t Ag, 0.95g/t Au, 5.38% Pb and 4.85% Zn as well as 98,083 tonnes of 468g/t Ag, 0.97g/t Au, 3.59% Pb and 2.95% Zn in the Inferred category.

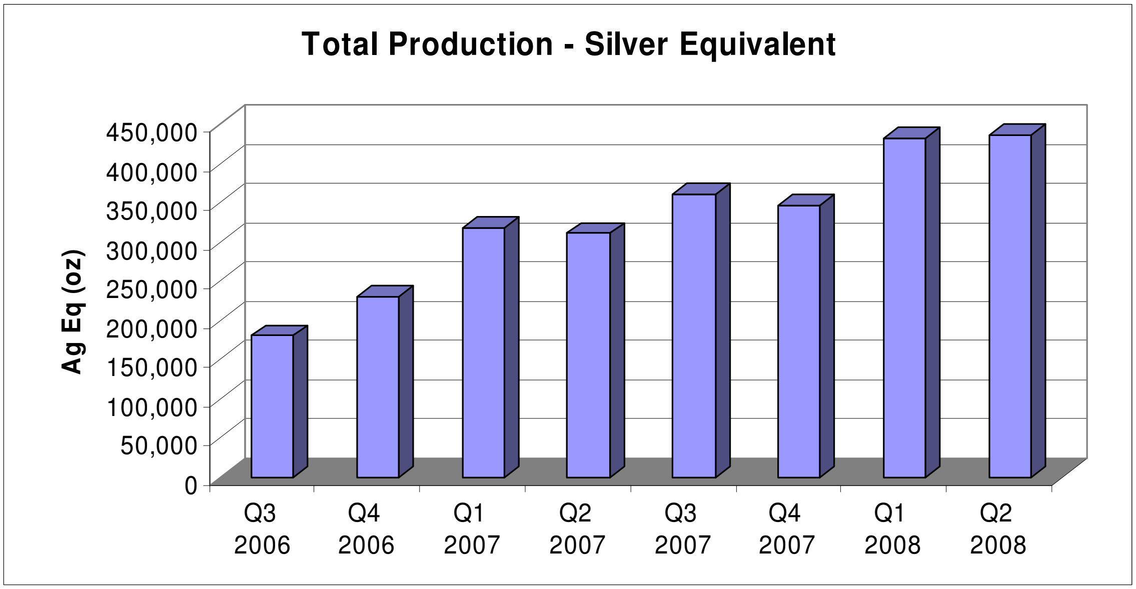
Financial

- Adjusted EBITDA(3) loss was $1.7 million for the second quarter of 2008 compared to $4.0 million for the second quarter of 2007, an improvement of 58%. Year to date Adjusted EBITDA loss decreased by $3.0 million to $3.1 million, a 49% improvement.

- 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, Adjusted EBITDA for the second quarter would have been positive $0.3 million compared to a $1.8 million Adjusted EBITDA loss for the same period in 2007, an improvement of 116%. Year to date Adjusted EBITDA would have been $0.7 million compared to a loss of $2.6 million for 2007, an improvement of 127%.

- Cash used in operating activities decreased from $2.0 million in the second quarter of 2007 to $0.2 million in the second quarter of 2008, an improvement of 90%. Cash used in operating activities decreased by $4.9 million to $0.5 million, a 90% improvement, on a year to date basis.

(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. Refer to Non-GAAP Measures section for a reconciliation of standard and adjusted EBITDA to the financial statements.
(3) Adjusted EBITDA is a non-GAAP measure in which standard EBITDA (earnings before interest expense, taxes and depletion and amortization) is adjusted for stock-based compensation expense. Refer to Non-GAAP Measures section for a reconciliation of standard and adjusted EBITDA to the financial statements.



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

Guanajuato Mine

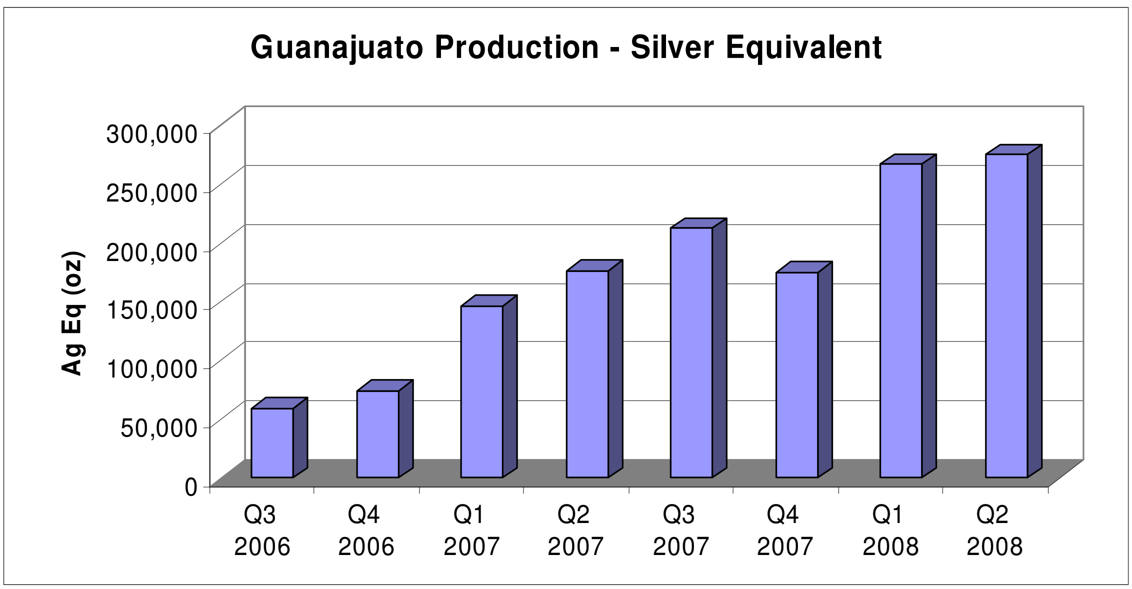
When compared to the first quarter of 2008, the average metal grades continued to improve from 1.40 g/t to 1.50 g/t for gold and from 188 g/t to 192 g/t for silver resulting in a 3% increase in the silver equivalent grade from 258 g/t to 267 g/t. This, together with improved precious metal recoveries, contributed to the record output of both gold and silver which, at 1,474 and 201,815 ounces respectively, were 8% and 2% higher than in the previous quarter.

Mill throughput for the quarter was 38,951 tonnes and metal recoveries improved from 75.5% to 78.3% for gold and from 81.5% to 84.0% for silver during the second quarter 2008 as compared to the first quarter 2008. The silver values in the concentrates improved by 55% from 6,402 gpt in the first quarter to 9,946 gpt in the second quarter. Ongoing modifications that were started during the first quarter of 2008 resulted in continued improved metallurgical performance during this quarter.

	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Tonnes milled	38,951	40,393	45,773	60,031	48,403	49,761	39,932	36,106
Silver ounces	201,815	198,663	127,624	155,272	131,683	106,646	52,499	39,246
Gold ounces	1,474	1,369	946	1,147	903	798	420	387
Silver equivalent ounces (Ag Eq oz)	275,515[(1)]	267,132	174,906	212,617	176,828	146,552	73,995	59,088

(1) For 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.

Overall metals output, expressed in terms of silver equivalent ounces increased by 3% from 267,132 Ag Eq oz in the first quarter 2008 to 275,515 Ag Eq oz in the second quarter 2008. The mine is focused on delivering higher quality ore while the concentration plant continuously improves both recovery and concentrate quality.



During the quarter, Great Panther Resources published the results of sampling carried out on the North Zone of the Guanajuatito Mine which included grades of almost 900 gpt Ag plus 5.6 gpt Au over a true width of 3.3 metres for a strike length of 37 metres. This zone is typical of the higher grade areas that are being targeted at the Guanajuato operations using mechanized cut and fill mining methods.

Production continues to improve at Cata. Cut and fill mining progressed from the 430-metre level at Cata with consistently good metal values. A decline ramp is being driven to access the 460 level which is scheduled for production in the fourth quarter.

Mining of the high grade pillars continued at Rayas on the 345, 365 and 390 levels while mining of the Promontorio area continued on the 35 and 75 levels. Excellent grades have been encountered in the previously unexploited part of the Veta Madre.

A total of ten diamond drill holes were completed in the Deep Cata underground exploration drill program for 2,142 metres. Two holes were completed for 603 metres to explore the deeper parts of the North Zone at Guanajuatito. Short ore definition drill holes continued in the Guanajuatito, Cata and Rayas areas.

The Guanajuato operations continue to improve. As decline development is extended to access deeper and richer ore at Guanajuatito and Cata, and metallurgical performance is further enhanced, the production will increase further and unit costs will reduce.

The cash operating cost per ounce of silver (refer to Non-GAAP Measures section) at Guanajuato for the three months ended June 30, 2008 decreased to US$9.70 from US$10.51 in the first quarter. The decrease in cost per ounce is primarily due to the achievement of higher grades and consequently higher metals production for similar costs.

	YTD 2008		Q2 2008		Q1 2008		Fiscal 2007	
	CAD Cost of Sales	Per USD Ag oz	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	$ 5,312,660		$ 3,020,082		$ 2,292,578		$ 7,431,888	
Site preparation	595,218		318,309		276,909		1,408,635	
Smelter and transportation	698,527		396,445		302,082		1,063,373	
Cost of sales	**6,606,405**		**3,734,836**		**2,871,569**		**9,903,896**	
By-product credits[1]	(2,431,011)		(1,424,682)		(1,006,329)		(2,504,177)	
Cash operating costs	**$ 4,175,394**	**$ 10.05**	**$ 2,310,154**	**$ 9.70**	**$ 1,865,240**	**$ 10.51**	**$ 7,399,719**	**$ 13.95**

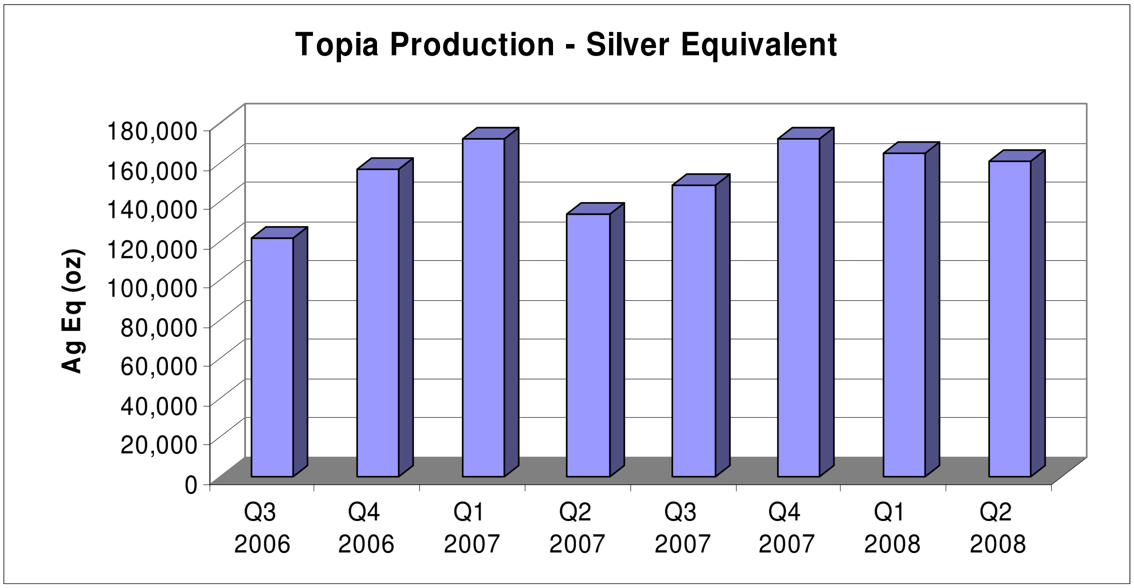
(1) By-product credits are defined as revenue from the by-products of silver, specifically gold, lead and zinc for Topia and gold for Guanajuato.

Topia Mine

Topia's positive grade trend continued through the second quarter. The average grade of ore mined and milled during the three months ended June 30, 2008 was 0.85 grams per tonne (gpt) gold, 360 gpt silver, 2.8% lead and 2.9% zinc. The plant processed a combined total of 11,249 tonnes including 2,600 tonnes which was custom milled for local small mines. Plant metal recoveries were very satisfactory with an excellent lead recovery of 92.2%.

	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Tonnes milled	8,649	9,457	8,528	9,509	7,407	8,161	7,205	6,948
Silver ounces	85,320	86,476	82,850	65,884	58,270	72,437	65,921	49,085
Gold ounces	192	220	241	128	126	148	145	106
Lead tonnes	225	217	194	184	153	204	209	153
Zinc tonnes	218	237	202	204	189	252	245	202
Silver equivalent ounces (Ag Eq oz)	160,557	164,507	171,823	148,490	133,522	171,891	156,556	121,166

For the three month period ending June 30, 2008, the Company processed 8,649 tonnes of ore compared to 9,457 tonnes in the previous quarter, a decrease of 9%. Production of 160,557 Aq Eg oz was realized during the quarter compared to 164,507 Ag Eq oz for the three months ended March 31, 2008. This 2% decrease is due to the decrease in tonnes processed offset by higher head grades. Metal production during the second quarter of 2008 consisted of 85,320 oz of silver, 192 oz of gold, 496,039 lbs of lead and 480,607 lbs of zinc. This represented the highest ever quarterly totals for lead.



On August 11, 2008, the Company announced an updated mineral resource estimate for Topia. The mineral resource estimate comprises Measured & Indicated Mineral Resources of 153,373 tonnes at 501g/t Ag, 0.95g/t Au, 5.38% Pb and 4.85% Zn as well as 98,083 tonnes of 468g/t Ag, 0.97g/t Au, 3.59% Pb and 2.95% Zn in the Inferred category. The 2008 resource estimate has increased over that of 2006, even after considering the last two years of production. Contained silver is up 11%, gold 25%, and lead by 6% while zinc stayed the same. At the current production rate of approximately 36,000 tonnes per year, management expects the resources to support a mine life of at least seven more years. This "rolling resource" is typical for underground mines as it is often not cost-effective to define a large resource/reserve in advance of mining.

The new estimate provides an update for the Argentina vein only, while the estimate delivered by Wardrop in 2006 for the other veins on the property remains unchanged. The latter came largely from the verification of Peñoles' resources, and are still intact, as mining to date has come from new mine development on these veins. (Resources for the "other veins" were estimated by Wardrop using metal prices as reported in the 2006 report.)

Due to the steep topography and the nature of the narrow veins at Topia, surface drilling is typically widely spaced and is used as a guide for underground development by locating and confirming structural continuity and grade, while development by drifting, sampling and some underground drilling along the vein defines the measured and indicated mineral resources. As such, much of the surface drilling is used to determine additional Exploration Potential for the veins. This has been estimated in-house for the Don Benito and Argentina veins to demonstrate the potential mineral resources in these areas prior to mine development. According to NI 43-101, Exploration Potential must be reported as ranges and these are presented in the following table. The Exploration Potential is conceptual in nature and based on wide spaced exploration drilling at Argentina, and exploration drilling and two development levels at Don Benito. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Exploration Potential being delineated as a mineral resource.

Exploration Potential

Vein	Tonnes	Ag	Au	Pb	Zn
Argentina	80-100,000	300-500g/t	1-2g/t	4-6%	2-4%
Don Benito	60-80,000	300-600g/t	1-4g/t	4-8%	3-6%

These tonnages include some of the drilling and development completed during the spring of 2008 (see GPR news releases dated February 19, June 2 and June 23, 2008) and could represent another 4-5 years of mine life with further definition. The Argentina vein remains open to expansion at depth and to the east for approximately 500 metres below old mine workings.

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. Rehabilitation of former small mines and development of new mines continues to successfully explore and establish new mining areas to increase production. During the quarter, exploration was underway in the former Cocinera Mine and the newly developed Hormiguera Mine.

The cash operating cost per ounce of silver (refer to Non-GAAP Measures section) at Topia for the three months ended June 30, 2008 was US$12.20 compared to US$6.42 for the three months ended March 31, 2008. The increase in cost per ounce is primarily the result of much lower zinc and lead by-product credits during the second quarter of 2008 compared to the first quarter due to lower base metal prices, as well as higher smelter costs.

	YTD 2008		Q2 2008		Q1 2008		Fiscal 2007	
	CAD Cost of Sales	Per USD Ag oz	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	$ 2,584,360		$ 1,377,288		$ 1,207,072		$ 4,685,050	
Site preparation	157,120		88,330		68,790		112,830	
Smelter and transportation	383,880		211,075		172,805		568,981	
Cost of sales (excluding custom milling)	**3,125,360**		**1,676,693**		**1,448,667**		**5,366,861**	
By-product credits	(1,566,404)		(655,837)		(910,567)		(3,486,368)	
Cash operating costs	**$ 1,558,956**	**$ 9.29**	**$ 1,020,856**	**$ 12.20**	**$ 538,100**	**$ 6.42**	**$ 1,880,493**	**$ 6.21**

PRIMARY MINERAL EXPLORATION PROPERTIES

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

Mapimi Project

The continuation of Phase II drilling at the Mapimi Project in northeastern Durango, Mexico in early 2008 resulted in the discovery of two new zones of mineralization. A new zone of molybdenum (Mo) - rich skarn mineralization was discovered at the Bull's Eye Zone. Drill hole SK08-048 returned 186.22 metres assaying 0.04% molybdenum starting at 42.08 metres down-hole, and including a higher grade section of 0.15% Mo over 29.4 metres. The molybdenum results are significant in that they compare well with grades from operating bulk tonnage molybdenum mines in North America. As at the date of this MD&A, the price of molybdenum was US$33.70/pound (www.infomine.com).

In addition, Ag-Au-Pb-Zn mineralization has been found in the North Zone that appears to be of the carbonate replacement ("CRD") type. It is management's opinion that the geological setting of the North Zone exemplifies that of a classic Mexican altiplano CRD, similar in characteristics to many of the major mining camps of central Mexico.

The Company continued its Phase II drilling into Q2 2008 as it tested two large and intense geophysical anomalies that are interpreted to reflect sulphide mineralization. Results of this work are still pending. At the date of this MD&A, a total of 60 holes have 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 two quarters of 2008 as the results of the drilling programs are being 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 in 2007. Under the terms of the option agreement, Altair Ventures Inc. ("Altair") can earn a 70% interest in the property by spending $1.2 million 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)

	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007 (Restated)	Q1 2007 (Restated)	Q4 2006	Q3 2006
Revenue	$ 7,397,809	$ 6,451,723	$ 5,267,117	$ 4,899,422	$ 3,146,969	$ 4,173,562	$ 3,876,592	$ 1,828,398
Cost of Sales (excluding amortization and depletion)	$ 5,627,263	$ 4,561,242	$ 5,141,291	$ 4,351,708	$ 2,845,645	$ 3,777,989	$ 3,664,827	$ 1,960,363
General and administrative	$ 1,623,617	$ 1,635,411	$ 1,434,779	$ 1,173,228	$ 865,295	$ 1,199,060	$ 1,523,169	$ 665,532
Stock-based compensation	$ 1,547,350	$ -	$ -	$ 444,000	$ 504,500	$ 181,000	$ 3,165,270	$ 23,216
Loss for the period	$(4,191,000)	$(2,418,207)	$(6,514,559)	$(4,029,795)	$(5,750,022)	$(3,406,485)	$(7,785,139)	$(1,289,174)
Basic loss per share	$ (0.05)	$ (0.03)	$ (0.08)	$ (0.06)	$ (0.08)	$ (0.05)	$ (0.12)	$ (0.02)
Cash and Cash equivalent	$ 4,428,801	$ 5,138,215	$ 5,357,977	$ 2,523,680	$ 2,401,239	$ 5,579,424	$ 9,208,048	$12,941,744
Current assets	$ 9,798,605	$12,582,084	$12,965,297	$ 9,106,236	$ 8,095,981	$11,924,549	$ 14,755,373	$18,483,031
Working capital	$ 7,369,761	$ 9,481,430	$10,659,942	$ 6,813,319	$ 4,909,509	$10,180,448	$ 12,533,156	$14,958,996

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).

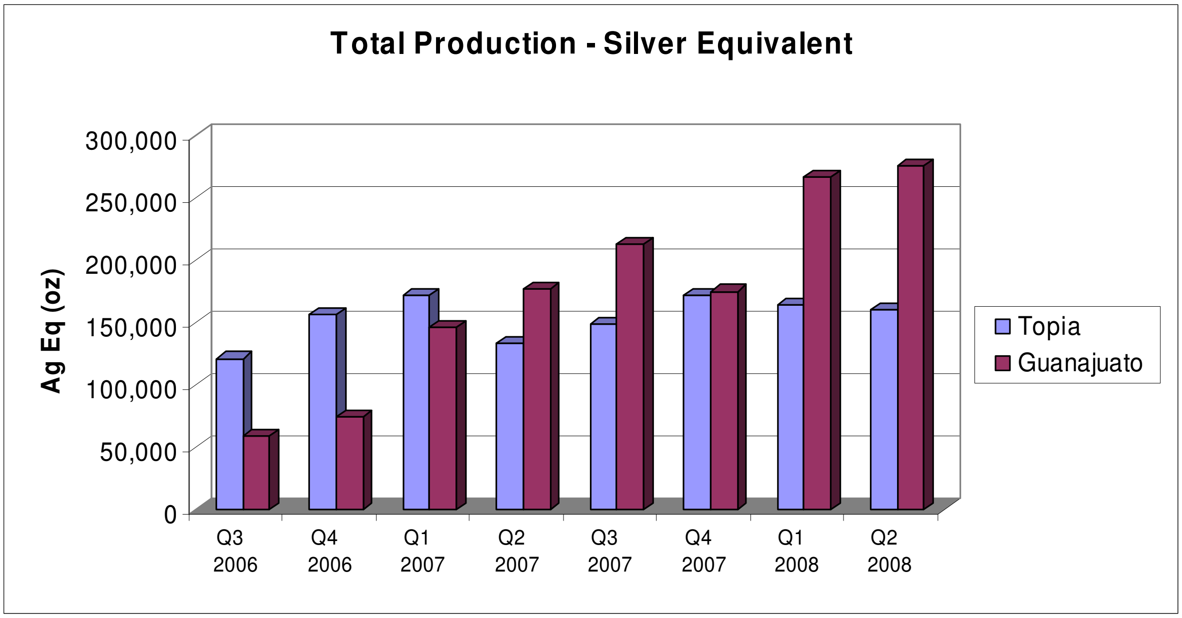
There can also be significant variances in the Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results. For example, the granting of incentive stock options can result in the recording of significant amounts for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

SECOND QUARTER DISCUSSION

The Company earned revenue for the three and six months ended June 30, 2008 of $7.4 million and $13.8 million, respectively, compared to $3.1 million and $7.3 million for the same periods in 2007. These increases can be largely attributed to the increase in production at both the Guanajuato and Topia mines as well as a general year over year increase in metal prices. The combined output at Topia and Guanajuato for the three and six months ended June 30, 2008 was 436,072 and 867,711 Ag Eq oz, respectively, compared with 310,350 and 628,793 Ag Eq oz, respectively, for the same period in 2007. For the three months ended June 30, 2008, silver, gold and lead prices increased year over year by 29%, 34%, and 6%, respectively, while the price of zinc decreased by 42%. For the six months ended June 30, 2008, silver, gold, and lead prices increased by 31%, 38%, and 31%, respectively, while the price of zinc decreased by 36%.

Gross revenue increased by $0.9 million, or 15%, during the second quarter 2008 compared to the first quarter 2008. For 2008, combined output increased 4,433 silver equivalent ounces or 1% quarter over quarter. The increase in revenue was also due to a decrease in the amount of concentrate inventory quarter over quarter. Increases in output were partially offset by quarter over quarter decreases in metal prices.

Compared to first quarter 2008, average silver, gold, lead, and zinc prices for the second quarter decreased by 3%, 3%, 20%, and 13%, respectively.



The Company is conducting exploratory diamond drilling and development work at both mines to define higher grade ore 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. New exploratory development started on the formerly mined Cocinera Mine and the new Hormigera Mine.

At Guanajuato, underground drilling of the Deep Cata Clavo identified the high grade extension announced earlier this year. Additionally, surface drilling at Guanajuatito has started to probe for the deeper extension of the high grade North Zone.

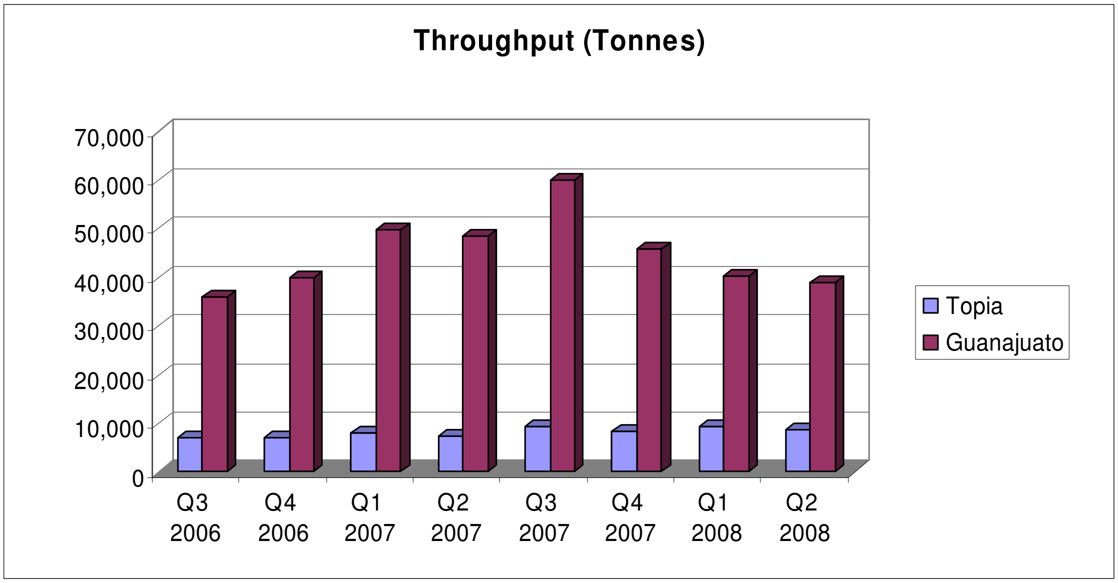
Mining of the Veta Madre vein has been accessed on the 35 metre level of Promontorio. Development is underway on the 75 metre level and production will continue to improve.

The Cata Clavo is being mined from the 430 metre level with high grades being encountered. The access decline is being deepened to provide access to the next 460 metre level. Underground short diamond drill holes are being drilled to confirm ore definition and to explore other extensions of the veins.

Production of the North Zone of Guanajuatito is progressing well on the 20 metre level by cut-and-fill mining while the decline is being driven towards the next, 50 metre 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 second quarter 2008 was 47,600 tonnes compared to 55,810 tonnes during the second quarter 2007. Throughput also decreased relative to the first quarter of 2008, where 49,850 tonnes was processed. Throughput decreased due to the implementation of a strict grade control policy resulting in an increase in the grade of the ore being mined. Metal recoveries have also improved. These factors have resulted in higher silver equivalent production and higher revenue, particularly at Guanajuato. The Company is on track to meet its 2008 production target of 1,750,000 silver equivalent ounces.



Cost of sales (excluding amortization and depletion) was $5.6 million and $10.2 million for the three and six months ended June 30, 2008, respectively, compared to $2.8 million and $6.6 million for the same periods 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. Earnings from mining operations (revenue, net of cost of sales) for the three and six months ended June 30, 2008 increased to $1.7 million and $3.7 million, respectively, from $0.3 million and $0.7 million for the same periods in 2007.

For the three months and six months ended June 30, 2008, amortization and depletion of mineral properties, plant and equipment increased by $0.3 million and $0.5 million compared with the corresponding periods in 2007. The increases were due to capital purchases made during 2007 and 2008.

Mineral property exploration costs for the three and six months ended June 30, 2008 were $2.0 million and $3.8 million, respectively, compared to $2.2 million and $3.5 million for the same periods in 2007. Exploration costs decreased for the quarter as the focus changed from surface to underground drilling at Guanajuato and surface drilling at Topia was completed at the beginning of the quarter. The decrease was partly offset by an increase in Topia mine exploration costs. For the six months ended June 30, 2008, the increase in exploration costs was primarily due to Topia mine exploration. 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 and $3.3 million for the three and six months ended June 30, 2008 compared to $0.9 and $2.1 million for the same period in 2007. Of the $0.7 million increase for the three month period, approximately $0.2 million is due to costs incurred for the event celebrating the reopening of the Guanajuato mines, tax planning initiatives, and Value-Added Tax ("VAT") recovery fees. 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 second quarter of 2007. In addition, during the first quarter, the Company wrote-off $0.2 million of potentially uncollectible VAT receivable contributing to the $1.2 million increase for the six month period.

The Company incurred non-cash stock-based compensation expense of $1.5 million in the second quarter of 2008 compared to $0.5 million in the second quarter of 2007. Of the $1.0 million increase, $0.4 million relates to repricing of incentive stock options exercisable at $2.65 and $2.00 to $1.42. The remaining balance of the increase relates to new stock options issued during the quarter. The Company did not incur any stock-based compensation expense in the first quarter of 2008.

For the three and six months ended June 30, 2008, the Company posted foreign exchange gains of $0.1 million and $0.3 million compared to foreign exchange losses of $1.3 million and $1.4 million for the same periods in 2007. This is mainly a result of the stronger Canadian dollar against the United States dollar and Mexican peso.

Losses for the three and six months ended June 30, 2008 were \$4.2 and \$6.6 million, respectively, compared to \$5.8 and \$9.2 million for the same periods in 2007. In addition to increases to earnings from mine operations and foreign exchange gains, \$0.5 million in income tax recoveries resulting from tax planning and a \$0.7 million recovery from the future income tax liability that was recognized in 2007 contributed to the decrease in the loss for the 6 month period. These increases were offset by increases in G&A expenses, stock-based compensation and mineral property exploration expenditures.

Adjusted EBITDA loss (refer to “Standard and Adjusted EBITDA (Non-GAAP Measures)” section below) was \$1.7 million and \$3.1 million for the three and six months ended June 30, 2008 compared to \$4.0 million and \$6.1 million for the same period in 2007, an improvement of 58% and 49%, respectively.

NON-GAAP MEASURES

Cash Costs per Ounce of Silver

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 Consolidated Statement of Operations for the second and first quarters of 2008 and fiscal 2007.

		YTD 2008			Q2 2008			Q1 2008			2007		
		Topia	Guanjuato	Total	Topia	Guanjuato	Total	Topia	Guanjuato	Total	Topia	Guanjuato	Total
CAD Cost of sales		**3,582,100**	**6,606,405**	**10,188,505**	**1,892,427**	**3,734,836**	**5,627,263**	**1,689,673**	**2,871,569**	**4,561,242**	**6,212,737**	**9,903,896**	**16,116,633**
Add/(subtract):													
CAD Gross by-product revenue [1]		(1,865,554)	(2,431,011)	(4,296,565)	(793,571)	(1,424,682)	(2,218,253)	(1,071,983)	(1,006,329)	(2,078,312)	(3,992,422)	(2,504,177)	(6,496,599)
Cost of custom milling		(157,590)	-	(157,590)	(78,000)	-	(78,000)	(79,590)	-	(79,590)	(339,822)	-	(339,822)
CAD Cash Operating Costs		1,558,956	4,175,394	5,734,350	1,020,856	2,310,154	3,331,010	538,100	1,865,240	2,403,340	1,880,493	7,399,719	9,280,212
USD Cash Operating Costs	**A**	**1,547,774**	**4,148,798**	**5,696,572**	**1,010,748**	**2,287,281**	**3,298,029**	**537,026**	**1,861,517**	**2,398,543**	**1,749,654**	**6,884,869**	**8,634,523**
Payable Silver Production	**B**	**166,522**	**412,961**	**579,483**	**82,854**	**235,881**	**318,735**	**83,668**	**177,080**	**260,748**	**281,550**	**493,383**	**774,933**
USD Cash Cost per Ounce of Silver	**A/B**	**\$ 9.29**	**\$ 10.05**	**\$ 9.83**	**\$ 12.20**	**\$ 9.70**	**\$ 10.35**	**\$ 6.42**	**\$ 10.51**	**\$ 9.20**	**\$ 6.21**	**\$ 13.95**	**\$ 11.14**

(1) 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.

Standard and Adjusted EBITDA

EBITDA is a non-GAAP measure that represents an indication of the Company’s continuing capacity to generate income from operations before taking into account management’s financing decisions and costs of consuming capital assets, which vary according to their vintage, technological currency, and management’s estimate of their useful life. While EBITDA does not currently have a standardized meaning, the Company has used the draft definition set out by the CICA’s Canadian Performance Reporting Board (“CPRB”). The CPRB defines Standardized EBITDA as revenue less operating expenses before interest expense, capital asset amortization and impairment charges, and income taxes.

Adjusted EBITDA has been included throughout this document. Under GAAP, entities must reflect in compensation expense the cost of stock-based compensation. In the Company’s circumstances, stock-based compensation involves a significant accrual of amounts that will not be settled in cash, but are settled by the issuance of shares in exchange. As such, the Company has made an entity-specific adjustment to EBITDA for these expenses.

The following table provides a reconciliation of Adjusted and Standardized EBITDA to the financial statements:

	Q2 2008	Q2 2007	YTD 2008	YTD 2007
Loss for the period	**$ (4,191,000)**	**$ (5,750,022)**	**$ (6,609,207)**	**$ (9,156,507)**
Provision for income taxes	(501,970)	257,547	(706,496)	435,177
Interest expense	279,069	94,064	552,094	276,178
Amortization and depletion of mineral properties, plant and equipment	1,154,655	874,569	2,147,279	1,698,185
Standardized EBITDA	(3,259,246)	(4,523,842)	(4,616,330)	(6,746,967)
Stock-based compesation	1,547,350	504,500	1,547,350	685,500
Adjusted EBITDA	**$ (1,711,896)**	**$ (4,019,342)**	**$ (3,068,980)**	**$ (6,061,467)**

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 $4.4 million as at June 30, 2008 as compared to $2.4 million as at June 30, 2007. This increase is mainly attributed to improved operational cash flow being generated by the two mines and fewer capital expenditures during the quarter.

The Company had working capital of $7.4 million as at June 30, 2008 compared with working capital of $4.9 million as at June 30, 2007. There is no assurance that working capital 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 $1.8 million from $2.0 million to $0.2 million for the three month period ended June 30, 2008. This decrease was primarily due to positive cash flow generated by the mines.

Investing Activities

For the three months ended June 30, 2008, the Company had a net cash outflow from investing activities, primarily for the purchase of mineral properties and capital assets, of $0.7 million compared with $1.5 million for the three months ended June 30, 2007.

Financing Activities

For the three months ended June 30, 2008, the Company raised proceeds of $0.2 million through the exercise of warrants and options.

Contractual Obligations

The following table outlines the contractual obligations of the Company at June 30, 2008:

	Total	Less than 1 year	1 – 3 Years	4 – 5 Years	After 5 years
Long-term debt	$ 6,169,000	$ 99,000	$ 2,020,000 (1)	$ 4,050,000 (1)	-
Purchase and lease obligations (2)	3,427,000	820,000	1,765,000	842,000	-
Total obligations	$ 9,596,000	$ 919,000	$ 3,785,000	$ 4,892,000	-

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

(2) Purchase and lease obligations include commitments for laboratory and drilling services and operating lease payments for office space.

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 twelve months.

TRANSACTIONS WITH RELATED PARTIES

The Company entered into the following transactions with related parties:

	Q2 2008	Q2 2007	YTD 2008	YTD 2007
Consulting fees paid or accrued to companies controlled by directors of the Company	$ 154,676	$ 149,000	$ 287,302	$ 286,000
Consulting fees paid or accrued to companies controlled by officers of the Company	$ 61,777	$ 100,809	$ 121,672	$ 200,554
Cost recoveries received or accrued from a company with a common director of the Company	$ 19,844	$ 149,448	$ 66,530	$ 275,507
Office and administration fees paid or accrued to a company controlled by a director of the Company	$ 9,316	$ 10,701	$ 19,103	$ 20,362

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*, require 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 of the accompanying financial statements.

(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 cost and 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 costs 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 81,309,852 common shares issued and 6,961,700 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 91,601,855.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore even those systems determined to be effective can provide only reasonable assurance with respect to financial preparation and presentation.

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 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.