

Report to:

GREAT PANTHER RESOURCES LTD.

**Technical Report on the Kilometre 66
Project, Mexico**

Project No. 0652530100-REP-R0001-01



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TECHNICAL REPORT ON THE KILOMETRE 66 PROJECT, MEXICO

SEPTEMBER 2006

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WARDROP

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1.0 SUMMARY

Great Panther Resources Limited has signed an agreement to acquire the right to earn a 100 percent interest, subject to a 3% NSR, in the Kilometre 66 Property, a 17 concession property comprising 3,508 hectares situated in eastern Durango State, Mexico.

The property is bisected by paved highway, and is located approximately 66 kilometres west of the town of Bermejillo and 100 kilometres north-west from the city of Torreón and San Pedro de las Colonias, in Coahuila state.

Situated in the northern plateau region of Durango State, the climate is arid to temperate. The average annual temperature is 21°C, fluctuating between 41°C and 9°C. Exploration can be undertaken throughout the year.

In 1995, Minera Apolo, S.A. de C.V. ("Apolo") acquired the property and optioned the property to Coeur d'Alene Mines Inc. in late 1996. Between 1997 and 1998, Coeur d'Alene carried out regional as well as detailed geological mapping in some areas of the property. They completed a total of 397 metres of trenching, a gravity survey, 81 reverse circulation (**RC**) drill holes (7,515 metres), 22 diamond drill holes (**DDH**) (2,983 metres) and 422 surface channel samples.

The property is situated at the northwestern end of the carbonate-rich Sierra Madre Oriental adjacent to the rhyolite-dominant Sierra Madre Occidental. The property is underlain by Triassic to Cretaceous carbonates and calcareous sedimentary rocks of the Caracol Formation which have been intruded by Tertiary rhyolite domes. The rocks have been folded and faulted and locally altered by the younger intrusive rocks.

Mineralization, which includes lead, zinc and silver minerals and lesser amounts of gold and copper minerals, is localized in brecciated and altered zones of the Caracol Formation and locally within the rhyolites.

The mineralization is akin to distal Pb-Zn skarn deposits. These form commonly along igneous or stratigraphic contacts and usually form sub-vertical chimneys along faults and fissures or as sub-horizontal blankets within favourable host rocks.

Based on the inverse distance weighted to second power interpolation method, Wardrop estimated that the Km 66 Property contains an inferred mineral resource of 5 million tons grading 59 g/t Ag, 0.81% Pb and 1.3% Zn at a 50 g/t AgEQ cut-off.

Because of uncertainties regarding geological interpretation and apparent discontinuous nature of the mineralization, the mineral resources presented in this report are classified as Inferred.

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Potential may exist at depth as very few deep holes have been drilled on the property, and all RC holes ended at the water table because of perceived difficulties of drilling below this level at the time the program was carried out. Drilling below the water table with an RC drill rig should no longer be an issue.

Improvement in the geological understanding of the mineralization and additional drilling in the other rhyolite domes on the property may lead to the discovery of additional mineral resources.

Gravity or Induced polarization surveys should be considered as a means of identifying and prioritizing additional drill targets.

Wardrop recommends a US\$360,000 phase 1 work program for the property. Contingent on positive results of the phase 1 work program, an additional US\$750,000 is recommended in drilling.

2.0 INTRODUCTION AND TERMS OF REFERENCE

2.1 INTRODUCTION

Great Panther Resources Limited has signed an agreement to acquire the right to earn a 100 percent interest, subject to a 3% Net Smelter Return (“NSR”), in the Kilometre 66 (**Km 66**) Property from the present owners. The Km 66 Property consists of 17 concessions comprising 3,508 hectares situated in eastern Durango State of Mexico. Concessions are valid for 50 years from the time of grant and most are valid until 2053. Mineralization appears to be hosted within hydrothermal breccias and stockworks. Past work carried out by Coeur d’Alene Mines Inc. includes 81 reverse circulation holes and 22 diamond drill holes.

This technical report makes use of relevant and appropriate data retrieved from both the 1997 and 1998 programs conducted by Coeur d’Alene, summarizes the finding and proposes recommendations for further work to be carried out on the property. Kevin Palmer spent two days on the property in June 2006 collecting representative samples and confirming the location of drill holes and trenches.

2.2 TERMS OF REFERENCE

Great Panther Resources Limited (**Great Panther**) has commissioned Wardrop Engineering Inc. (**Wardrop**) to prepare a Technical Report on the Km 66 Property in eastern Durango State, Mexico. This report was prepared in compliance with National Instrument 43-101 (**NI 43-101**).

Dr. Gilles Arseneau, P.Geo, and Kevin Palmer, P.Geo, served as the Qualified Persons responsible for the preparation of this technical report. Kevin Palmer carried out the field visit and Dr. Arseneau prepared the resource estimate and technical report. Great Panther supplied data on collar co-ordinates, logging information, including lithologies and alteration and a tabulation of assay results in EXCEL spreadsheets. This data was compiled and converted to a GEMCOM database by Wardrop.

3.0 RELIANCE ON OTHER EXPERTS

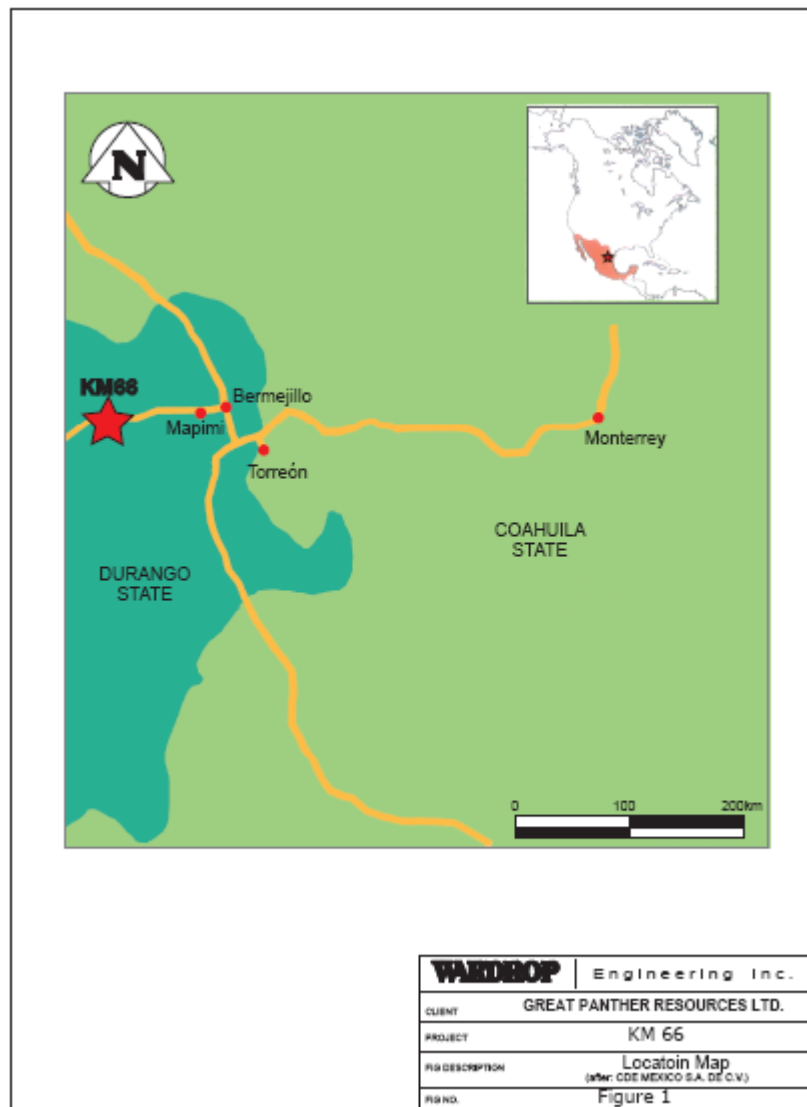
In preparing this report, Wardrop has relied on property title information provided by Great Panther. Wardrop has not carried out an independent title search as part of this report. Instead, we have relied on information provided by Great Panther and an opinion of title provided by Larios, Rodriguez del Bosque, de Buen y Cornu, mining lawyers in Mexico City.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 PROPERTY LOCATION

The Km 66 Property is centred approximately at latitude 25°50' north and longitude 103°50' west, which is situated in the Municipality of Mapimi, in the eastern part of Durango State, Mexico. The property is bisected by paved highway, and is located approximately 66 kilometres west of the town of Bermejillo and 100 kilometres north-west from the City of Torreón and San Pedro de las Colonias, in Coahuila state (Figure 1).

Figure 1 Property Location Map



4.2 PROPERTY DESCRIPTION

The Km 66 Property comprises 17 contiguous mineral exploitation concessions totalling an area of 3,508 hectares (Table1). Mineral exploration properties in Mexico are controlled by the Secretaria de Economía – Dirección General de Minas in Mexico City.

Exploitation concessions are granted for 50 years from the date of their registration with the Public Registry of Mining. During the final 5 years of exploitation, the concession holder may apply for one additional 50 year period, which is automatically granted provided all other concession terms have been complied with.

The holder of an exploitation concession must pay biannual duties in January and July of each year. These duties are in the following amounts:

1. During the first and second year, MP\$24.49 (**Mexican Peso**) per hectare;
2. The third and fourth year, MP\$49.19 per hectare;
3. The fifth and subsequent year, MP\$86.28 per hectare.

Concessionaires for both exploration and exploitation must perform work each year that must begin within ninety days of the concession being granted. Concessionaires must file each May, proof of the work performed. Non-compliance with these requirements is cause for cancellation only after the Ministry of Mines communicates in writing to the Concessionaire of any such default granting the Concessionaire a specified time frame in which to remedy the default.

In April of 2006, Great Panther Limited entered into an option agreement with Minera Apolo S.A. de C.V. to acquire a 100% interest in the Km 66 Property. Under the agreement, Great Panther is required to make 6 staged cash payments and share issuances totalling US\$3,000,000 and 500,000 shares, over a period of 4 years, to the current property owners to acquire a 100% interest in the property. In addition, the agreement provides for a royalty to be paid to the vendors in the amount of 3% NSR, each 0.5% of which, up to a maximum of 2%, can be purchased for US\$500,000.

The property is not subject to any other known royalties, back-in rights, payments, or other agreements or encumbrances.

The mineralization on the property is found within brecciated carbonate and carbonaceous clastic rocks in contacts with intrusive rhyolitic domes. To date, five mineralized rhyolite domes have been identified; all located a small distance apart. The two main mineralized area, the Palmitas and Gloria area are situated in the south central part of the property (Figure 2).

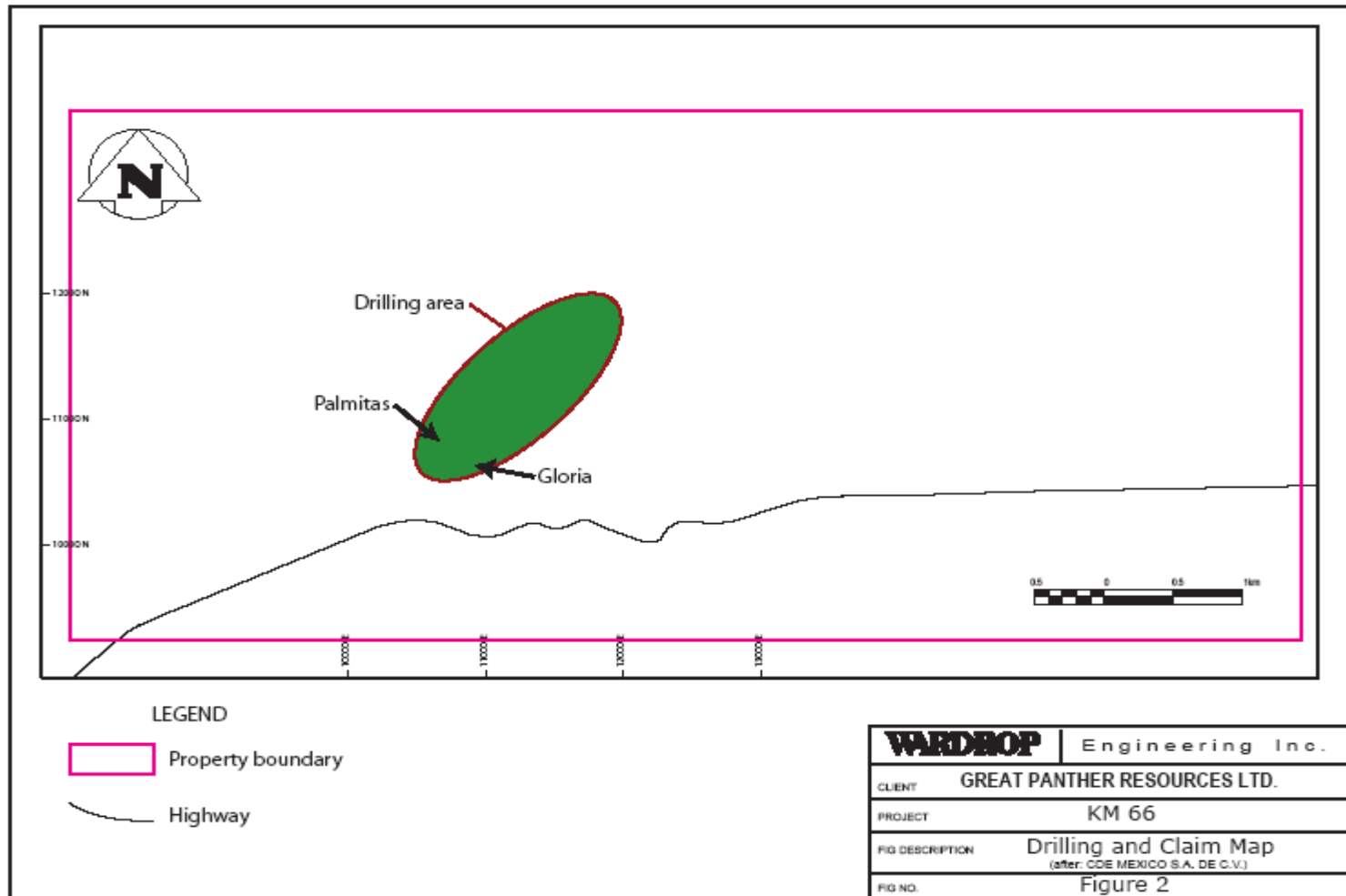
The author is not aware of any environmental liabilities to which the property is subject. Work can be carried out on the property year round.

Table 1 Kilometre 66 Mineral Concessions

LOT	HOLDER	SURFACE (Hectares)	CONCESSION TITLE	TERM FROM / TO
W y U	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	141.1649	218,362	November 5, 2002 to November 4, 2052.
U y W	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	11.5681	218,433	November 5, 2002 to November 4, 2052.
Gustillo	Rafael Chiw Melendez	9.0000	202,192	November 8, 1995 to November 7, 2045.
Gustote	Rafael Chiw Melendez	36.1292	201,467	October 11, 1995 to October 10, 2045.
Aram 66	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	88.3898	222,930	September 21, 2004 to September 20, 2045.
Don Chano	Minera Capela, S.A. de C.V.	7.6665	202,541	December 1, 1995 to November 30, 2045.
La Gloria	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	16.0000	165,108	August 23, 1979 to August 22, 2029.
LL Fracción Norte	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	0.8654	220,968	November 11, 2003 to November 10, 2053.
LL Fracción Sur	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	0.4928	220,969	November 11, 2003 to November 10, 2053.
"I"	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	0.0777	220,970	November 11, 2003 to November 10, 2053.
Gloria ¹	Minera Apolo, S.A. de C.V.	179.3907	209,185	February 26, 1999 to February 25, 2005.
Azul	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	30.0000	224,286	April 22, 2005 to April 21, 2055.
Axel Fracción Norte	Lay Anel Chiw Chacon	0.4648	224,284	April 22, 2005 to April 21, 2055.
Axel Fracción Sur	Lay Anel Chiw Chacon	0.8689	224,285	April 22, 2005 to April 21, 2055.
KM 66 Mall	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	2,953.2214	220,054	June 4, 2003 to June 3, 2053.
KM 66 Small	María Guadalupe Chiw Castillo y Lay Anel Chiw Chacon	2.7907	220,559	August 28, 2003 to August 27, 2053.
Las Primas	Lay Anel Chiw Chacon y María Guadalupe Chiw Castillo	30.0000	219,131	February 14, 2003 to February 13, 2009.

Note¹ an application to convert the Gloria Concession into an exploitation concession was made in February, 2005. The conversion when approved will extend the concession for an additional 50 years.

Figure 2 Concession Outline and Drilling Area



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

The Property is located at an elevation of about 3000 ft (900 m), in the northern plateau region of the State of Durango in northwestern Mexico. The property is situated in the Municipality of Mapimi, which is located approximately 64 kilometres northwest of the city of Gómez Palacio, and roughly 175 kilometres northeast from Durango; the capital of Durango State.

From Bermejillo, the property can be accessed along paved E-W Highway #30, which connects Bermejillo on the east, with La Zarca on the west. Highway #30 passes through the southern part of the Km 66 claim block. Torreón is approximately 40 kilometres south of Bermejillo via Highway #49. Mapimi is also accessible through the city of Gomez Palacio by federal highways #49 and #30, and from the city of Durango via federal highway #49.

Airports are situated in the city of Torreón and the capital city of Durango. Both airports support regular national and international daily scheduled flights, with several flights per day to Mexico City, and daily flights to Mazatlan, Monterrey and Houston, Texas.

5.2 CLIMATE

Situated in the northern plateau region of the State of Durango, the climate is arid to temperate. Areas within this province are deserts, such as Mapimi, where less than 250 millimeters of rain falls within a “rainy season” between July and October. Cooler temperatures in the winter may produce some frost. The average annual temperature is 21°C, fluctuating between 41°C and 9°C. Exploration can be undertaken throughout the year.

The Mapimi area primarily consists of creosotebush shrubland with mesquite, prickly pear, napal and agave. Grasslands occur in the bottoms of basins.

5.3 INFRASTRUCTURE

The Municipality of Mapimi is on the electrical power grid, and has telephone services provided by TelMex. Mapimi also has water and drainage systems.

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Bermejillo, a town of 12,000 people, is 40 kilometres east via a paved highway, or via railroad and also provides many stores, hotels, restaurants as well as a possible labour pool for a mining operation.

5.4 PHYSIOGRAPHY

The area is characterized by numerous hills and valleys, the largest of which contains the Municipality of the Bolsón de Mapimí.

Streams in the area have defined several channels, but due to the aridity and lack of precipitation in the area, only two streams are of importance; the Cerro Gordo and the Cadena.

6.0 HISTORY

The Km 66 Property was probably mined on a small scale off and on for 200 to 300 years. Mining ceased altogether in the Km 66 Property in the late 1970's and early 1980's due to decreasing silver prices. Production figures from past operations are not available but most operations appear to have been small-scaled.

In 1995, Minera Apolo, S.A. de C.V. (**Apolo**) acquired all land within the Km 66 area. In 1996, Apolo compiled a detailed geological map of the property. Apolo then optioned the property to Coeur d'Alene Mines Inc. in late 1996.

Between 1997 and 1998, Coeur d'Alene carried out regional as well as detailed geological mapping in some areas of the property. A total of 397 metres of trenching in 35 trenches were excavated and a gravity survey was carried out over a 4 km² area covering the Gloria occurrence. Coeur d'Alene also completed 81 reverse circulation (RC) drill holes (7,515 metres), 22 diamond drill holes (DDH) (2,983 metres) and collected 422 surface channel samples. Based upon this work, Coeur d'Alene prepared a preliminary resource estimate indicating a geological potential of 25,000,000 tonnes at an average grade of 50 g/t silver, 0.7% lead, 1.3% zinc, and 0.1 g/t gold. Details of this estimation are not known and this estimate does not use categories defined in National Instrument 43-101 and should not be relied upon. The estimate is only relevant in that it indicates exploration potential for the property. Coeur d'Alene Mines Inc. subsequently dropped the Option and all data including cores, RC cuttings, logs, assays, reports, etc. were turned over to Apolo.

7.0 GEOLOGICAL SETTING

7.1 REGIONAL GEOLOGY

Rocks of the Km 66 area include late Paleozoic carbonates, Triassic to Cretaceous carbonates and calcareous sedimentary rocks intruded by Tertiary rhyolite domes. The sedimentary sequence has been folded, faulted and locally altered by late Cretaceous tectonic activity and Tertiary intrusions.

7.2 LOCAL GEOLOGY

The property is situated at the northwestern end of the carbonate-rich Sierra Madre Oriental adjacent to the rhyolite-dominant Sierra Madre Occidental. The Km 66 Property is characterized by a number of northwest plunging anticlines and synclines. The property is underlain by Cretaceous carbonates and calcareous sedimentary rocks of the Caracol Formation which have been intruded by Tertiary rhyolite domes.

The Caracol Formation hosts most of the mineralization on the property; it is mainly composed of thin limestone beds with shale partings, calcareous greywackes and calcareous sandstone beds. The sedimentary rocks are intruded by at least five rhyolitic domes on the Km 66 Property. The western dome cluster is termed the Km 66 Major Dome and consists of the sub-domes Las Palmitas-La Gloria Dome, the Carmen Dome and the Anomaly Dome. The two eastern sub-domes are the Victorinos Major Dome and Victorinos South Dome.

8.0 DEPOSIT TYPE

The Km 66 silver-lead-zinc-gold mineralization is associated with hydrothermal breccias and stockworks related to a cluster of rhyolite domes. This mineralization is generally situated within fractured Caracol limestone or brecciated rhyolite.

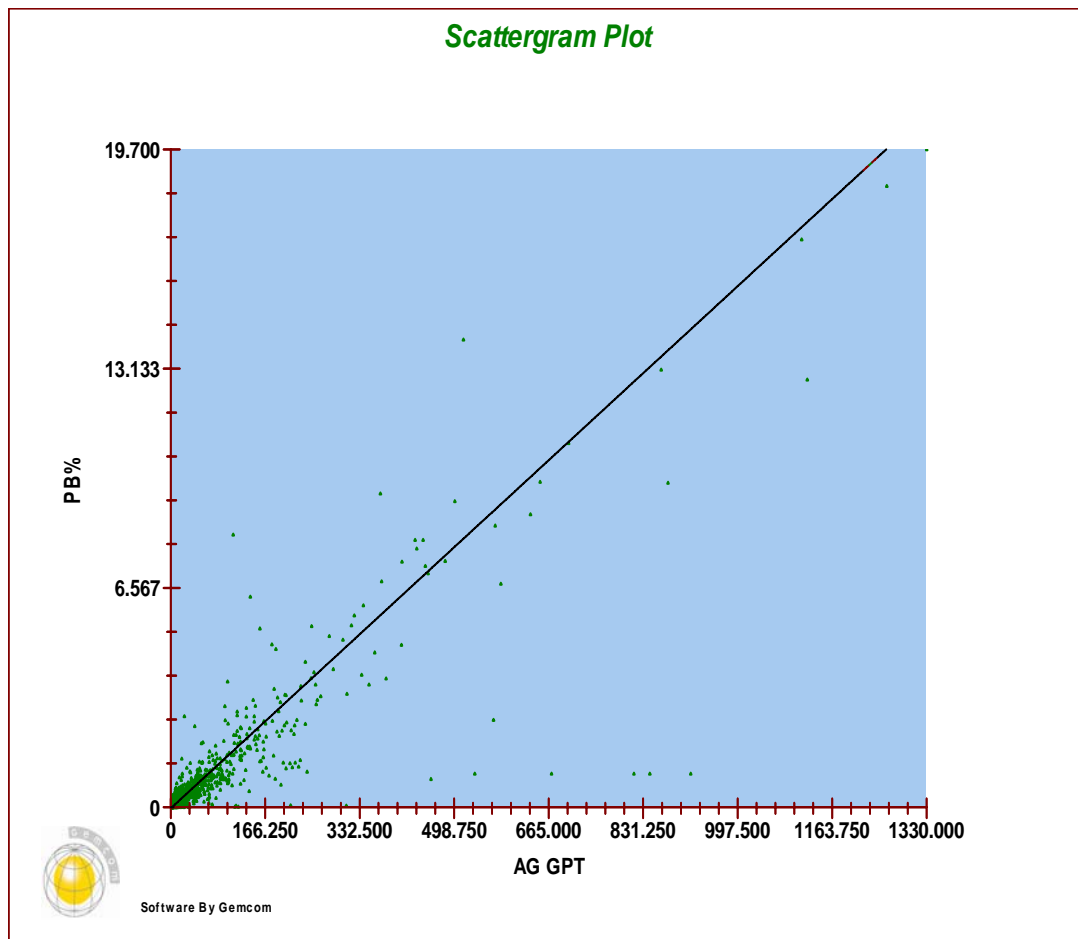
The mineralization is akin to distal Pb-Zn skarn deposits. These form commonly along igneous or stratigraphic contacts and usually form sub-vertical chimneys along faults and fissures or as sub-horizontal blankets within favourable host rocks.

Typical mineralogy usually includes sphalerite, galena, pyrite, pyrrhotite with or without magnetite. Gangue minerals usually include epidote, amphibole, chlorite and sericite. Most deposits are small, less than 3 million tons, but some larger deposits are known to occur.

9.0 MINERALIZATION

Mineralization at Km 66 includes lead, zinc and silver minerals and in lesser amounts gold and copper minerals. Mineralization is localized in brecciated and altered zones of the Caracol Formation and locally within rhyolite. Soil geochemistry appears to be an effective tool in defining silver and zinc anomalies but subsequent drilling has not always been successful in substantiating soil anomalies. The surface of the deposit is oxidized to variable depths of 30 to 60 metres. Oxide mineral species are not known but it is expected that they will form the typical mineral suite generated from the oxidation of the sulphide minerals found within the deposit. Sulphide mineralogy includes sphalerite, galena, pyrite and pyrrhotite. No silver mineral has been identified to date but based on the correlation between Pb and Ag values, it is probable that silver is associated with galena. (Figure 3)

Figure 3 Correlation between Pb and Ag Values



10.0 EXPLORATION

Great Panther has not carried out any exploration on the property to date. The most recent exploration work was carried out by Coeur D'Alene and Apolo in 1998 and 1999 and has been described in the history section of the report (Coeur Explorations, 1997).

11.0 DRILLING

Great Panther has not carried out any drilling on the property to date. The drilling programs described in this section were carried out by Coeur d'Alene in 1997 and 1998. A total of 81 RC and 22 DDH were drilled by Coeur d'Alene, most of the holes were targeted at the Gloria, Palmitas and Carmen rhyolite domes in the south central part of the property. Because of difficulties of drilling below the water table with the RC rig, all RC holes were stopped once significant water was encountered. Forty six (46) holes were drilled vertically while most of the other holes were drilled at a 50 degree angle towards the Southeast. Sampling was carried out on a regular 2 metre sample length. Core samples were split at the site using a standard core splitter and one half of the core was retained in plastic boxes stored at the property. Sampling procedures for the RC drilling has not been documented but samples are reported at a two metre interval. Drilling was carried out by Major and Layne Drilling companies.

12.0 SAMPLING METHOD, PREPARATION, ANALYSES AND SECURITY

No information was made available to Wardrop about the sampling method or approach. However, from the digital data and assay certificates provided, it is evident that sampling was carried out on a regular two metre interval down the drill holes. A total of 4,786 samples were collected and all samples were analysed for Au, Ag and Pb. Only 4,712 samples were analysed for Zn and 1,328 for Cu.

Coeur sent 273 pulp samples (about 5% of the sample population) to Bondar Clegg as a check on the Cone Geochemical Inc. (**Cone**) results. The check assay program showed that the two labs returned similar gold, silver and lead values but the Cone zinc values were slightly higher than the Bondar Clegg values (Figure 4 through to Figure 7). However, because of the lack of standards, it is not possible to determine which lab was more accurate. The percentage difference between the two laboratories is not overly significant and not likely to have an effect on the resource estimation.

A Quality Assurance and Quality Control program including blanks and standards should be implemented if Great Panther intends to carry out additional drilling.

Drill holes were logged by Coeur d'Alene geologists and samples were sent to Cone Geochemical Inc. of Lakewood Colorado for assay. Samples were analysed for Cu, Pb, Zn and Ag by atomic absorption and gold was analysed by atomic absorption with a 30 gram fire assay finish.

Figure 4 Thompson Howarth Plot for Gold

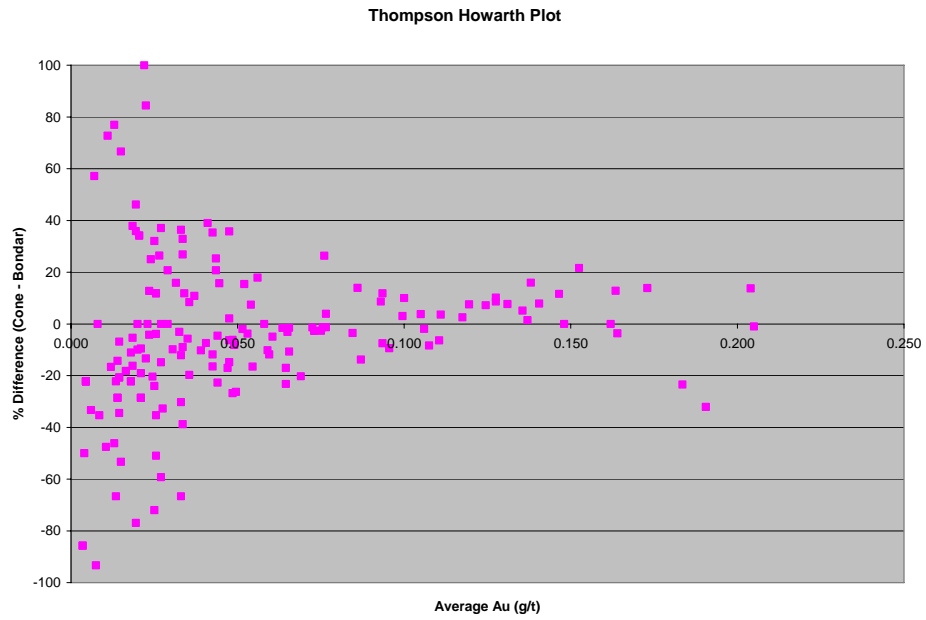


Figure 5 Thompson Howarth Plot for Zinc

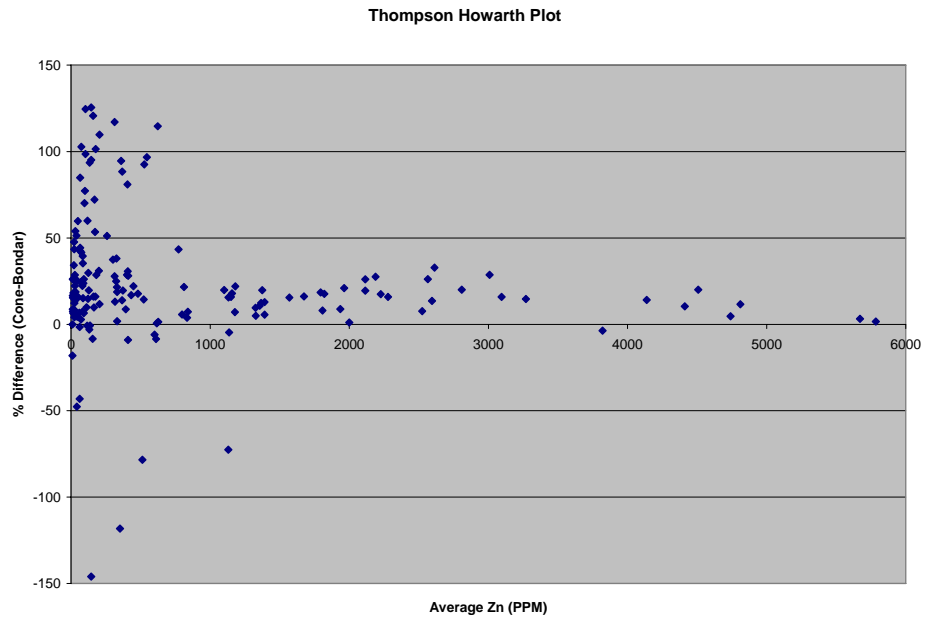


Figure 6 Thompson Howarth Plot for Lead

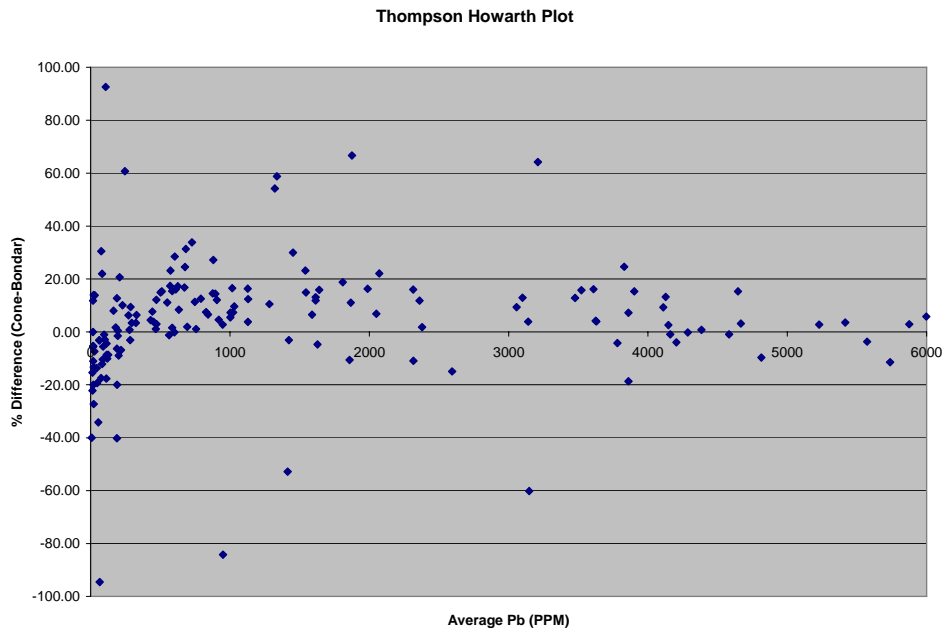
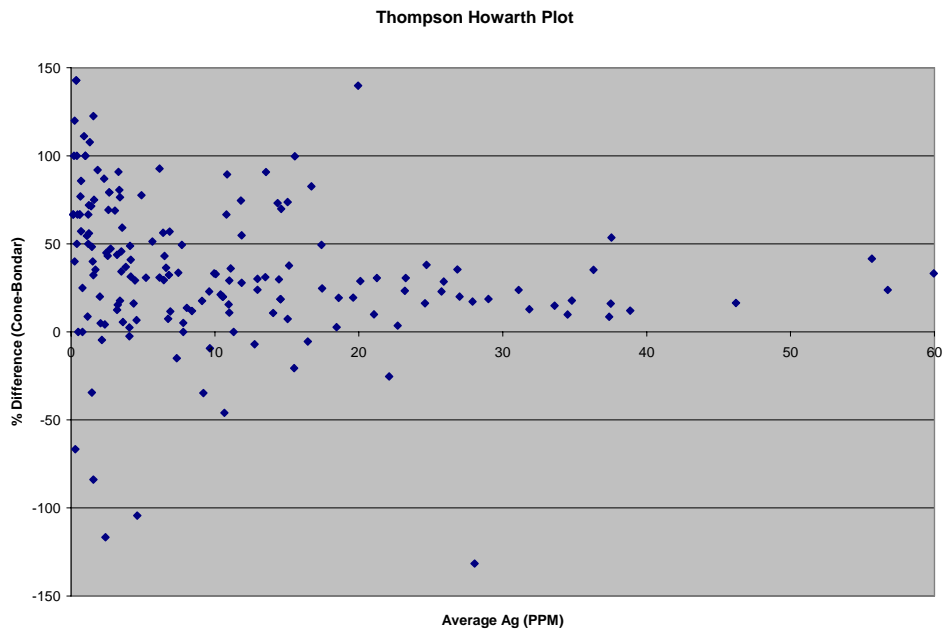


Figure 7 Thompson Howarth Plot for Silver



13.0 DATA VERIFICATION

Wardrop carried out a field visit to verify the geology of the site and the location of the RC and DDH and collect a few representative samples of the mineralization. Wardrop verified the location of 34 of the drill sites with a Global Positioning System (**GPS**) device and verified the location against the data points provided by Great Panther. All drill hole coordinates measured corresponded well with the data entered in the database. All drill hole elevations were verified against digital topographical data. All hole elevations with the exception of RC hole 23 corresponded well with the digital elevation data.

Wardrop has also verified 630 assay values against original Cone assay sheets, about 13% of the total assays in the database. A total of 13 data entry errors were found as a result of the check, only six of the errors were significant enough to be material. All errors were corrected in the digital database. Wardrop also collected 11 grab samples from the property. The purpose of the Wardrop sampling was only to determine if the property contained mineralization in the same order of magnitude as had been previously reported by Coeur d'Alene. The sampling program was not designed as a check assay program to validate the previous assay values. The sampling program did confirm that the property does contain mineralization in the same order of magnitude that had been previously reported by Coeur d'Alene and Apolo (Table 2).

Table 2 Check Sample Results Compared with Previous Sampling

Sample No.	Sample type	Wardrop Assays			Coeur d'Alene Assays			Location
		Pb %	Zn %	Ag (g/t)	Pb %	Zn %	Ag (g/t)	
C048109	Grab	2.45	0.01	157.1	6.77	0.01	224	La Gloria South (Near Channel 7)
C048110	Grab	2.19	0.29	57.7	NS	NS	NS	La Gloria South (Near Channel 10)
C048111	Grab	0.25	<0.01	20.9	NS	NS	NS	La Gloria South Adit (Near Channel 8)
C048112	Grab	0.68	0.06	16.8	0.92	0.01	31	La Gloria Central (Near Channel 318)
C048113	Grab	0.25	0.01	5.8	NS	NS	NS	La Gloria Trench (Near Drill hole 97-46)
C048114	Grab	1.84	0.01	83.5	0.68	0.01	57	La Gloria North (Near Channel 10)
C048115	Grab	0.01	0.09	<0.4	NS	NS	NS	Micon Trench (Near La Gloria)
C048116	Grab	0.02	0.03	<0.4	NS	NS	NS	Palmitas Trench
C048117	Grab	3.92	3.03	180.1	3.5	2.4	182	Core Drill hole 6 (170.40 to172.2m)
C048118	Grab	1.05	3.90	53.5	0.9	0.45	65	Core Drill hole 6 (172.85 to172.40m)
C048119	Grab	0.28	0.01	35.6	0.1	0.01	20	Carmen Trench (Near Channel 258)

NS = not sampled

Samples collected by Wardrop were analysed at the Global Discovery Laboratory in Vancouver. Pb, Zn and Ag were first digested with aqua regia and then analysed by Atomic Absorption method.

14.0 ADJACENT PROPERTIES

There are no adjacent properties of significance to the Km 66 property.

15.0 MINERAL PROCESSING AND METALLURGICAL TESTING

About 60 kilograms of material was taken from rejects of RC and DDH drilling and sent to Process Research Laboratory of Vancouver (**PRA**) in 1999. The sample material was taken from three sulphide intersections and three oxide intersection from the Palmitas and Gloria mineralized areas (Table 3).

The oxide samples were subjected to three sets of tests to determine if the oxide mineralization was amenable to heap leach extraction. The first was a 48 hour bottle-roll test to determine if silver was cyanide soluble. The second test involved sulphidation of the sample prior to flotation in an attempt to recover lead oxide and finally a size fraction analysis was completed to determine if the mineralization could be up-graded by screening. Test results on the oxide indicate that heap leaching of the oxide material was not a very attractive option because of the lower than expected recoveries, 60 to 67% for Au and Ag after 96 hours of bottle rolling with a fine crush. The tests also indicated that no significant upgrading was achieved by sizing. However, flotation of the oxide samples appears to have been successful for both lead and silver with recoveries in the 65 to 85% range for silver and 66 to 90% range for lead.

The sulphide samples were subject to flotation and cyanidation of the flotation tails. Recoveries into rougher concentrates were 70 to 90% for Ag, 85 to 90% for Pb and 77 to 86% of Zn. Sulphide flotation tails averaged 10 to 45 g/t Ag. Cyanidation of the flotation tails recovered about 25 to 50% of the available silver in the tails.

Head grades of the test samples are given in Table 3 below.

Table 3 Metallurgical Samples Sent to PRA

Zone	Type	Drill hole	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)
Palmitas	Sulphide	DDH-6	112	0.33	1.8	1.8
Palmitas	Sulphide	DDH-11	93	0.05	1.3	1.7
Gloria	Sulphide	DDH-1	626	1.41	2.3	0.7
Palmitas	Oxide	RC-20	368	0.25	5.9	0.1
Gloria	Oxide	RC-07	186	0.13	2.0	0.1
Gloria	Oxide	RC-40	250	0.89	2.2	0.2

16.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

Mineral resources were estimated for the Km 66 Project with the use of 3D modelling software, GEMS Version 6.02, provided by Gemcom Software International of Vancouver (**Gemcom**). The drill data were converted from EXCEL spreadsheets and entered in a Gemcom database. Resources were estimated by Dr. Arseneau.

16.1 EXPLORATORY DATA ANALYSIS

Wardrop received 103 separate EXCEL spreadsheets containing drill hole locations, survey, geology and assay data for each hole drilled on the Km 66 Property. All data were sorted and re-organized to facilitate import into Gemcom. Basic statistical data for the assay data is summarized in the following table.

Table 4 Basic Statistics of Assay Data

	Ag	Pb	Zn	Au	Length
Number of values	4785	4785	4785	4785	4785
Minimum	0.00	0.00	0.00	0.00	0.00
Maximum	1330.00	19.70	11.70	2.31	3.60
Range	1330.00	19.70	11.70	2.31	3.60
Mean	15.453	0.207	0.309	0.044	1.989
Median	1.200	0.010	0.030	0.017	2.000
First quartile	0.300	0.000	0.010	0.006	2.000
Third quartile	6.500	0.080	0.160	0.050	2.000
Standard error	0.928	0.013	0.013	0.001	0.002
95% confidence interval	1.819	0.025	0.026	0.003	0.003
99% confidence interval	2.389	0.033	0.034	0.003	0.004
Variance	4121.10	0.790	0.849	0.008	0.012
Standard deviation	64.196	0.889	0.921	0.091	0.111
Coefficient of variation	4.154	4.302	2.977	2.061	0.056

Box plots were prepared for the exploration data and no significant differences were noted between the Gloria and Palmitas area. Zinc values were marginally higher on average in the sulphide zone at the Gloria showing. Because most of the sample lengths were two metres the assay data was not composited before modelling, less than 0.05% of the sample lengths were longer than 2.0 metres.

16.2 GEOLOGICAL INTERPRETATION

In order to model the mineralized zones the assay data were normalized by calculating an equivalent grade based on metal prices and average recoveries based on past metallurgical tests. All assay values were converted to an AgEQ value using the following formula:

$$\text{AgEQ} = ((\text{Ag g/t}/31.103 \times 0.76 \times 7.70) + (\text{Au g/t}/31.103 \times 0.7 \times 461) + (\text{Pb\%} \times 22.04 \times 0.8 \times 0.42) + (\text{Zn\%} \times 22.04 \times 0.8 \times 0.69))/7.70 \times 31.103$$

The equation is based on metal prices and recoveries as outlined in Table 5.

Table 5 Metal Price and Recoveries

Metal	Price	Recoveries
Gold	US\$461	70%
Silver	US\$7.70	76%
Lead	US\$0.42	80%
Zinc	US\$0.69	80%

The metal prices used in this study were derived by calculating the average metal price over the last 36 months from August 2003 to August 2006. This average is considered a conservative approach when compared to the current metal prices. Table 6 depicts the metal prices at the close on August 31, 2006.

Table 6 Metal Prices on August 31, 2006 for Comparison

Metal	Price
Gold	US\$623
Silver	US\$12.60
Lead	US\$0.55
Zinc	US\$1.54

The geology was then modeled on vertical sections spaced 20 metres apart oriented in a NW-SE direction. Broad geological outlines were prepared on sections based on a general cut-off of 10 g/t AgEQ value. Because of the discontinuous nature of the mineralization, some lower grade material was included within the mineralized envelopes. The sectional interpretation was then joined in the third dimension to generate 3-dimensional geological models of the Gloria and Palmitas areas. The other breccia zones on the property for which data was available did not display enough geological continuity to be modeled in 3-D.

A review of the assay data indicates that capping of silver values could be warranted given the highly skewed nature of the distribution; however, capping outlier values above 800 g/t Ag had negligible effect on the resource estimate. As such, the mineral resources are reported uncapped. Capping of high grade outliers should be investigated if additional drilling is to be carried out on the property and a more robust resource estimation is to be prepared.

16.3 BLOCK MODEL

Mineral resources were estimated with 3-dimensional software provided by Gemcom. Grades were interpolated for Ag, Au, Pb and Zn into 5 by 5 by 4 metre blocks. The Gemcom parameters defining the block model are presented in Table 7.

Table 7 Block Model Parameters

	Model Origin	No of Blocks	Block size
Easting	10830E	120 Columns	5 m
Northing	10520N	120 Rows	5 m
Elevation	1750 El	78 Levels	4 m

The block model was rotated 35 degrees clockwise in order to better correlate with the drilling information.

The block model was coded with rock type codes using 3-D models of the surface topography. All blocks below the surface topography were coded with rock code (50) for oxide. An artificial oxide/sulphide surface was generated by modelling the oxide/sulphide data extracted from the geological logs. All blocks below the oxide/sulphide surface were coded as (60) for sulphide. A specific gravity of 2.7 was assigned to all sulphide blocks and all oxide blocks were assigned a specific gravity of 2.5. No specific gravity determinations have been carried out for the property. The values were assigned based on past experience in similar rock types and environments. Rock types were further divided into Gloria and Palmitas areas and coded accordingly as outlined in Table 8.

Table 8 Block Model Codes

Rock Type	Block Model Code
Air	0
Unclassified Oxide	50
Palmitas Oxide	51
Gloria Oxide	52
Unclassified Sulphide	60
Palmitas Sulphide	61
Gloria Sulphide	62

Grades were interpolated into blocks using inverse distance weighted to the second power. Blocks were interpolated according to their rock codes so that only assays occurring within the oxide zone at Gloria were used to interpolate blocks coded as Gloria oxide. Similarly, only Palmitas assays were used to interpolate grades into blocks that were coded Palmitas.

For the Gloria area a total of 37 holes were used to interpolate the resource and 21 holes were used to estimate the Palmitas area. The grade interpolations were guided by variography modeled on the AgEQ values and were carried out in two passes. The first interpolation required two holes and three samples within 60 metres of a block for interpolation. The second pass required at least two samples within 100 metres of a block

and only those blocks with zero grades after the first pass interpolation were estimated. The purpose of the second pass was to assure that all the blocks within the geological outlines were assigned a grade.

16.4 RESOURCE CLASSIFICATION AND SUMMARIES

Based on this interpolation methodology, Wardrop estimated that the Km 66 Property contains an inferred mineral resource of 5 million tons grading 58 g/t Ag, 0.81% Pb and 1.3% Zn at a 50 g/t cut off AgEQ cut-off (Table 9). Because of uncertainties regarding geological interpretation and apparent discontinuous nature of the mineralization, the mineral resources presented in this report are classified as Inferred.

The Block model was validated by visually comparing block grades with original assay grades both in sections and on level plans. The interpolated grades correspond well with the original assay values. Some higher grade drill hole intervals do not correspond well with the interpolated blocks because the interpolation methodology used at least two drill holes to estimate a grade and often the high grade intervals only occur in a single hole because of the narrow nature of the breccias.

Table 9 Inferred Mineral Resources at 50 g/t Ag Eq Cut-Off

Cut off (AgEQ)	Type	Tons	Ag g/t	Au g/t	Pb%	Zn%	AgEQ
50 g/t	Gloria Oxide	1,882,000	50.00	0.111	0.61	1.00	113
50 g/t	Palmitas Oxide	795,000	52.50	0.090	0.99	0.89	121
50 g/t	All Oxide	2,677,000	50.74	0.105	0.72	0.97	115
50 g/t	Gloria Sulphide	1,058,000	47.30	0.139	0.34	2.43	114
50 g/t	Palmitas Sulphide	1,293,000	84.80	0.182	1.36	1.06	85
50 g/t	All Sulphide	2,351,000	67.92	0.16	0.90	1.68	98.05
50 g/t	Gloria(Oxide + Sulphide)	2,940,000	49.03	0.12	0.51	1.51	113.36
50 g/t	Palmitas (Oxide + Sulphide)	2,088,000	72.50	0.15	1.22	1.00	98.71
50 g/t	All Total	5,028,000	58.78	0.13	0.81	1.30	107.27

$$\text{AgEQ} = ((\text{Ag g/t}/34.2857 \times 0.76 \times 6.95) + (\text{Au g/t} /34.2857 \times 0.7 \times 432) + (\text{Pb\%} \times 20 \times 0.8 \times 0.42) + (\text{Zn\%} \times 20 \times 0.8 \times 0.63))/6.95 \times 34.2857$$

Wardrop also estimated the mineral resource using a 30 g/t Ag EQ cut off as summarized on the following page in Table 10.

Table 10 Inferred Mineral Resources at 30 g/t Ag EQ Cut-Off

Cut off (AgEQ)	Type	Tons	Ag g/t	Au g/t	Pb%	Zn%	AgEQ
30 g/t	Gloria Oxide	2,141,600	45.83	0.10	0.56	0.93	102
30 g/t	Palmitas Oxide	871,400	49.32	0.09	0.93	0.84	111
30 g/t	All Oxide	3,013,000	46.84	0.10	0.67	0.90	104
30 g/t	Gloria Sulphide	1,140,000	44.83	0.14	0.32	2.29	162
30 g/t	Palmitas Sulphide	1,560,000	73.35	0.17	1.17	0.92	143
30 g/t	All Sulphide	2,700,000	61.31	0.15	0.81	1.50	151
30 g/t	Gloria(Oxide + Sulphide)	3,281,600	45.48	0.12	0.48	1.40	123
30 g/t	Palmitas (Oxide + Sulphide)	2,431,400	64.74	0.14	1.08	0.89	132
30 g/t	All Total	5,713,000	53.68	0.13	0.74	1.18	126

Because of the depth of the sulphide mineralization at the Palmitas occurrence, Wardrop recommends reporting the mineral resources at the 50 g/t Ag EQ as some of the deep sulphide mineralization may not be all accessible by open pit mining method.

17.0 CONCLUSIONS

Mineralization at the Km 66 property occurs within narrow, vertical or shallow dipping breccia zones found within the Caracol Formation adjacent to rhyolite domes. Previous drilling has identified concentrated zones of mineralization at the Gloria and Palmitas areas.

Mineralization is found within both oxide and sulphide facies and grade of the sulphide mineralization appears to be slightly higher than the oxide mineralization.

Mineralization is similar to that of distal or low temperature skarn deposits.

Additional work should be concentrated in identifying additional sulphide mineralization and additional rhyolite domes.

Potential may exist at depth as very few deep holes have been drilled on the property, all RC holes ended at the water table because of perceived difficulties of drilling below the water table at the time the program was carried out. Drilling below the water table with an RC drill rig should no longer be an issue.

Wardrop has estimated that at a 50 g/t AgEq cut off the two areas combined contain about 5 million tons of inferred mineral resources grading 59 g/t Ag, 0.81% Pb, 1.3% Zn and 0.13 g/t Au.

Improvement in the geological understanding of the mineralization and additional drilling in the other rhyolite domes on the property may lead to the discovery of additional mineral resources.

Airborne magnetometer and Electromagnetic surveys combined with Induced Polarization surveys should be considered as a means of identifying and prioritizing additional drill targets.

18.0 RECOMMENDATIONS

Wardrop recommends the following program for the Km 66 property:

Airborne magnetic combined with Electromagnetic survey over the entire area to identify possible covered breccias and rhyolite domes. The airborne survey should be followed-up with a detailed sampling and mapping program. The sampling program should include standards and blanks and cover some of the samples collected by Coeur d’Alene in order to validate the previous sampling programs.

An induced polarization (**IP**) survey should be carried out over the Gloria and Palmitas area to evaluate the IP response to the mineralization. If the method is successful in identifying mineralized areas, the IP survey should be expanded over other rhyolite domes on the property.

As a follow up phase to the initial geophysical and sampling program, the company should evaluate the geophysical targets with an initial phase of drilling. Some of the drilling should be directed towards confirming the results obtained by Coeur d’Alene. Great Panther should consider drilling more angle holes as most of the mineralization appears to be hosted in vertical breccia zones. The total cost of the Phase 1 work program including 1,500 metres of drilling is estimated to be about US\$360,000. A second phase of drilling is recommended if the results of the Phase 1 work are successful.

Table 11 summarizes the cost of the recommended work programs.

Table 11 Cost of Recommended Work Programs

Item	Cost US\$
Airborne geophysical survey	\$100,000
Follow-up IP survey	\$30,000
Geological mapping and sampling	\$30,000
1,500 metre drilling	\$200,000
Total Phase 1	\$360,000
Phase 2- 5,000 metre drilling	\$750,000
Total Phase 1 and 2	\$1,110,000

19.0 REFERENCES

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Wikipedia

http://en.wikipedia.org/wiki/Geography_of_Mexico

20.0 CERTIFICATES OF QUALIFIED PERSONS

I, Gilles Arseneau of North Vancouver, British Columbia, do hereby certify that as an author of this “Technical Report on the Kilometre 66 Project, Mexico”, dated September 25th, 2006, I hereby make the following statements:

I am Manager of Geology with Wardrop Engineering Inc. with a business address at 800-555 West Hastings Street, Vancouver, BC, V6B 1M1.

- I have a B.Sc. in Geology from the University of New Brunswick, 1979; a M.Sc. in Geology from the University of Western Ontario, 1984 and a Ph.D. in Geology from the Colorado School of Mines, 1995.
- I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia, License #25474.
- I have practised my profession in mineral exploration continuously since graduation. I have over twenty years of experience in mineral exploration and I have seven years experience preparing mineral resource estimates using block modelling software.
- I have read the definition of “qualified person” set out in National Instrument 43-101 (NI 43-101) and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a “qualified person” for the purpose of NI 43-101.
- I am responsible for all the sections of the technical report except for the site visit. I did not visit the property.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- As of the date of this Certificate, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
- I am independent of the Issuer as described in Section 1.4 of National Instrument 43-101.
- I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

Signed and dated this 25th day of September 2006 at Vancouver, British Columbia.

*“Original Document, Revision 01
signed and sealed by Gilles
Arseneau, Ph.D & P.Geo.*

Signature

I, Kevin Palmer of Nanaimo, British Columbia, do hereby certify that as an author of this "Technical Report on the Kilometre 66 Project, Mexico", dated September 25th, 2006, I hereby make the following statements:

I am SeniorGeologist with Wardrop Engineering Inc. with a business address at 800-555 West Hastings Street, Vancouver, BC, V6B 1M1.

- I am a graduate of University of University of the Witwatersrand, Johannesburg, South Africa (B.Sc. (Honours) Geology, 1984).
- I am a member in good standing of the Association of Professional Engineers of British Columbia, License #30020.
- I am a member in good standing of the South African Council for Natural Scientific Professions (Geological Science), Registration #400320/04.
- I have practised my profession in mineral exploration continuously since graduation.
- I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purpose of NI 43-101.
- I am responsible for the site visit and partially responsible for Section 14 of the report titled "Technical Report on the Kilometre 66 Project, Mexico", dated September 25th, 2006. I visited the property from the 26th to 27th June 2006.
- I have no prior involvement with the Property that is the subject of the Technical Report.
- As of the date of this Certificate, to my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
- I am independent of the Issuer as described in Section 1.4 of National Instrument 43-101.
- I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1.

Signed and dated this 25th day of September 2006 at Vancouver, British Columbia.

*"Original Document, Revision 01
signed and sealed by Kevin John
Palmer, P.Geo & Pr.Sci.Nat.*

Signature