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ASX code: AXE

QUARTERLY ACTIVITIES REPORT

For the period ended 31 March 2008

HIGHLIGHTS:

- Confirmation of manganese and iron mineralisation at Jamieson Tank. The mineralisation outcrops at surface, which makes it amenable to surface mining, and is open in all directions and down dip.
- Completion of processing of magnetic data acquired by the Company and assay results from drilling previously conducted by WMC at Jamieson Tank.
- Appointment of Wade Bollenhagen as Exploration Manager.
- Company received confirmation of PACE funding of \$45,000 for Evelyn Dam diamond drilling expenses.
- Commencement of Part 9B native title process at West Roxby Project.
- Application for three contiguous tenements covering 1,060km², located approximately 40km east of Port Augusta in South Australia. The tenement area, known as the Wilmington Project, is highly prospective for manganese, copper and gold mineralisation.
- The Company holds a 100% interest in excess of 6,500km² of copper, manganese, gold and uranium prospective ground in South Australia.
- The Company held \$6. 592 million in cash reserves at the end of the quarter.

EXPLORATION:

IRON AND MANGANESE

Carrappee Hill Project - Jamieson Tank Prospect (AXE 100%)

Exploration of EL 3711 during the Quarter involved reprocessing of newly acquired magnetic data, which has highlighted the magnitude of some of the magnetic anomalies on the Carrappee Hill tenement.

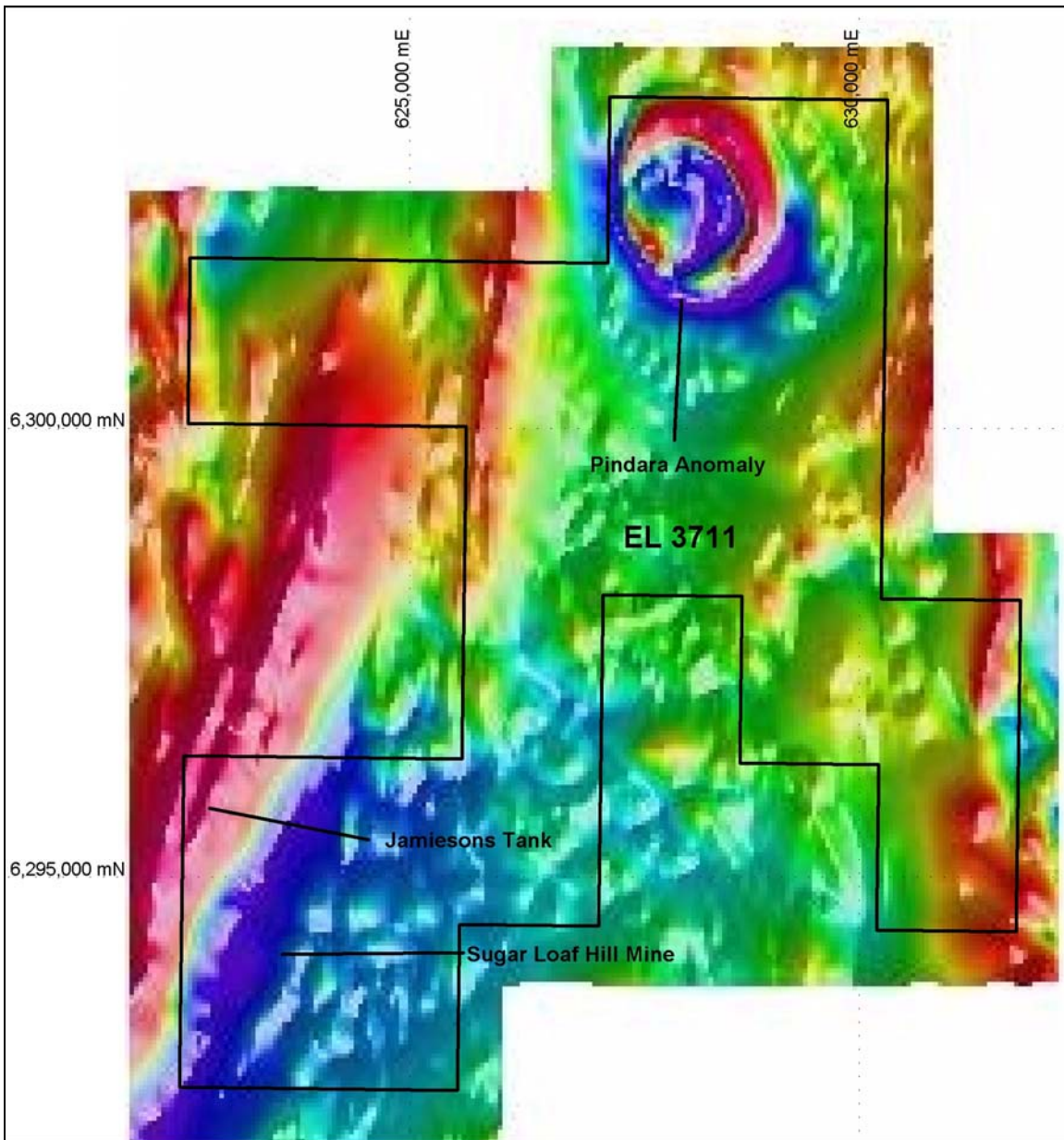


Figure 1: Newly acquired and processed magnetic data for Carrappee Hill

An independent technical review of the Carapee Hill Project undertaken by the Company during the quarter revealed significant surface manganese and iron intercepts in drilling performed by Western Mining Corporation (WMC) in the early 1990's. The price of manganese and iron ore has increased dramatically since the early 1990s and is near historic high levels.

The objective of the drilling undertaken by WMC was to test the surface expressions of the manganese and to see if the manganese persisted below the surface. Two lines of holes were drilled at Jamieson's Tank some 75m apart.

The drilling confirmed that thin manganese units persist to some 40m below surface and was still open at depth, the drilling also intercepted intervals rich in iron. Selective sampling down the hole resulted in assays reporting up to 31% manganese.

Wilmington Project (AXE 100%)

The Company applied for three mineral exploration licences covering 1,059km² during the quarter. These tenements are known as the Wilmington Project and are located 40km east of Port Augusta, in South Australia (see figure 2).

The Wilmington Project area was selected for its copper and manganese potential. Manganese has been historically reported at the surface in the south of ELA 116/08 and the Company has identified this as a high priority target.

BASE METALS

West Roxby Project (AXE 100%)

The Company is continuing to develop the West Roxby Project and during the quarter the Company:

- undertook further geophysical modeling of the Apollo, Evelyn Dam and Island Lagoon Prospects;
- commenced the Part 9B native title process with the expectation of finalising native title mining agreements with the registered native title claimants; and
- received notification that its funding application to the SA Governments Plan for Accelerating Exploration (PACE) initiative, was successful in gaining \$45,000 towards the drilling of Evelyn Dam.

The West Roxby Project comprises five granted tenements which form a contiguous group commencing approximately 100 km southwest of Olympic Dam, running 30km southwest of Woomera ending about 100km northwest of Port Augusta. The Stuart Highway traverses the northern portion of the area.

The West Roxby project lies on the Gawler Craton, covering sections of the Gawler Range Volcanics.

About the PACE Program

Each year, the Department of Primary Industry and Resources (PIRSA) seeks proposals from industry to undertake cooperative exploration drilling projects jointly funded by industry and the government's PACE initiative. The program preferentially funds high quality, technically and economically sound projects that promote Greenfield type exploration targets and new exploration technology.

The proposals undergo rigorous assessment both internal to PIRSA by a panel of Geological Survey officers and externally by highly experienced and independent assessors. The awarding of \$45,000 to the Company for the drilling of Evelyn Dam means that this prospect is viewed as a high quality exploration target based on sound technical, scientific and commercial criteria.

Wilmington Project (AXE 100%)

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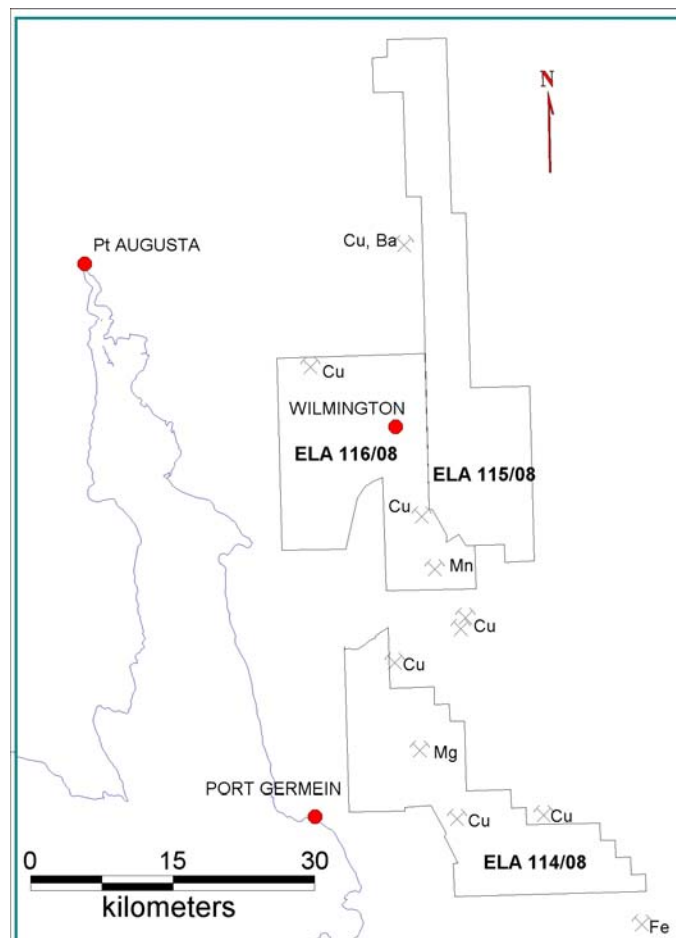


Figure 2: Wilmington Exploration License Applications

The Wilmington Project area was selected for its copper and manganese potential. Historical work on the Spring Creek Copper Mine (within the Wilmington Project area) indicates that the deposit is a secondary occurrence of copper. Historical drilling to find a primary source was unsuccessful and Archer Exploration believes that the geology is still prospective for a primary copper source discovery.

Mount Remarkable National Park covers part of the south of ELA 116/08, this part of the park has been proclaimed to provide rights of entry for mineral exploration and mining.

Carrappee Hill Project - Pindara Prospect (AXE 100%)

The Pindara magnetic anomaly, located on the northern part of the Carrappee Hill Project area, is a large circular magnetic anomaly which is highly prospective for gold and base metals mineralisation. Drilling undertaken by previous explorers in the mid 1980s failed to properly test the Pindara Prospect, the drill holes either failed to reach target depth or were focused exclusively on the search for diamonds.

Both the Jamieson Tank Prospect and the Pindara Prospect, within the Carrappee Hill Project area, are highly prospective and priority targets for the Company.

URANIUM

Cariewerloo Project (AXE 100%)

The Cariewerloo Project is located approximately 60km north west of Port Augusta, South Australia and comprises EL 3852 which was granted to the Company on 23 July 2007. Archer considers the Cariewerloo Project to be prospective for the discovery of unconformity style uranium mineralisation.

No exploration activities were undertaken by the Company on the Cariewerloo Project during the March quarter.

South Gawler Ranges Project (AXE 100%)

The South Gawler Ranges Project is located approximately 35km north west of Kimba, South Australia and comprises ELA 647/06 which is separated into three discrete blocks lying along the southern margin of the Gawler Ranges.

Reprocessing of the available airborne magnetic and radiometric data is still ongoing to define palaeodrainage uranium targets that will be assessed on the ground and prioritised for future drill testing.

CORPORATE:

Appointment of Exploration Manager

Mr Wade Bollenhagen BSc.(Hons) was appointed as the Exploration Manager for Archer Exploration on 27th March 2008. Mr Bollenhagen is a geologist with 14 years industry experience in gold, base metals and iron ore exploration in Australia and overseas.

Prior to joining Archer Exploration, Mr Bollenhagen was Chief Geologist for UraniumSA Limited and previously worked as a geologist for OneSteel, Resolute Mining Limited and Placer Dome Asia Pacific.

Wade's expertise gained in working for OneSteel at its Eyre Peninsula iron ore mines will enable the Company to considerably increase the manganese and iron mineralisation target at the Company's Carapee Hill Project.

Website development

During the month of March the Company's website (www.archerexploration.com.au) was redeveloped to better reflect the advanced stage of most of the Company's projects and the exploration activities undertaken by the Company since ASX listing.

Cash Balance

The Company's cash balance at the end of the quarter was \$6.592 million.

A handwritten signature in black ink, appearing to read "Tom Phillips".

Tom Phillips AM
Chairman
Archer Exploration Limited

date: 24th April 2008

The exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Wade Bollenhagen, Exploration Manager of Archer Exploration Limited. Mr. Bollenhagen is a Member of the Australasian Institute of Mining and Metallurgy who has more than fourteen years experience in the field of activity being reported. Mr. Bollenhagen consents to the inclusion in the report of matters based on his information in the form and context in which it appears.



Archer Exploration Limited Company Snapshot

Directors

Tom Phillips AM Chairman
Alice McCleary Non-Executive Director
Greg English Non-Executive Director

Company Secretary

Craig Gooden

Registered and Principal Office

32 Beulah Road
Norwood SA 5067
Telephone: (08) 8132 0003
Facsimile: (08) 8132 0766
Email: executive@archerexploration.com.au

ASX Code

Archer's ASX code is "AXE".

Number of Shareholders

As at 31 March 2008, Archer had 815 shareholders.

Major Shareholders

The share register records the following as major Shareholders at 31 March 2008:

GDE Exploration (SA) Pty Ltd	11,604,798
Valentina Nowak	3,430,000
Ganesan Sivanandam	2,250,000
Tigermoth Investments	2,000,000
UraniumSA Limited	2,000,000
Deborah Rossiter	1,883,679
Sivanandam Narayanasamy	860,000
Bluck Holdings Pty Ltd	750,000
Craig & Virginia Gooden	750,000
Alice & Brian McCleary	750,000
Chin Huan Ng	750,000
Alice McCleary	730,000

Issued Capital

As at 31 March 2008, Archer had 64,418,477 fully paid shares and 32,205,201 options with an exercise price of \$0.25 and expiring 13 February 2010 on issue.

Cash balance

As at 31 March 2008, Archer's cash balance was approximately \$6.592 million. The attached Appendix 5B provides details of cash flows during the three month period ending 31 March 2008.

Shareholder Enquiries

Matters relating to shares held and change of address should be directed to the Company's share registrar at:

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000
Telephone: 1300 738 349

Website

Please visit Archer's website featuring the latest on Archer at

www.archerexploration.com.au

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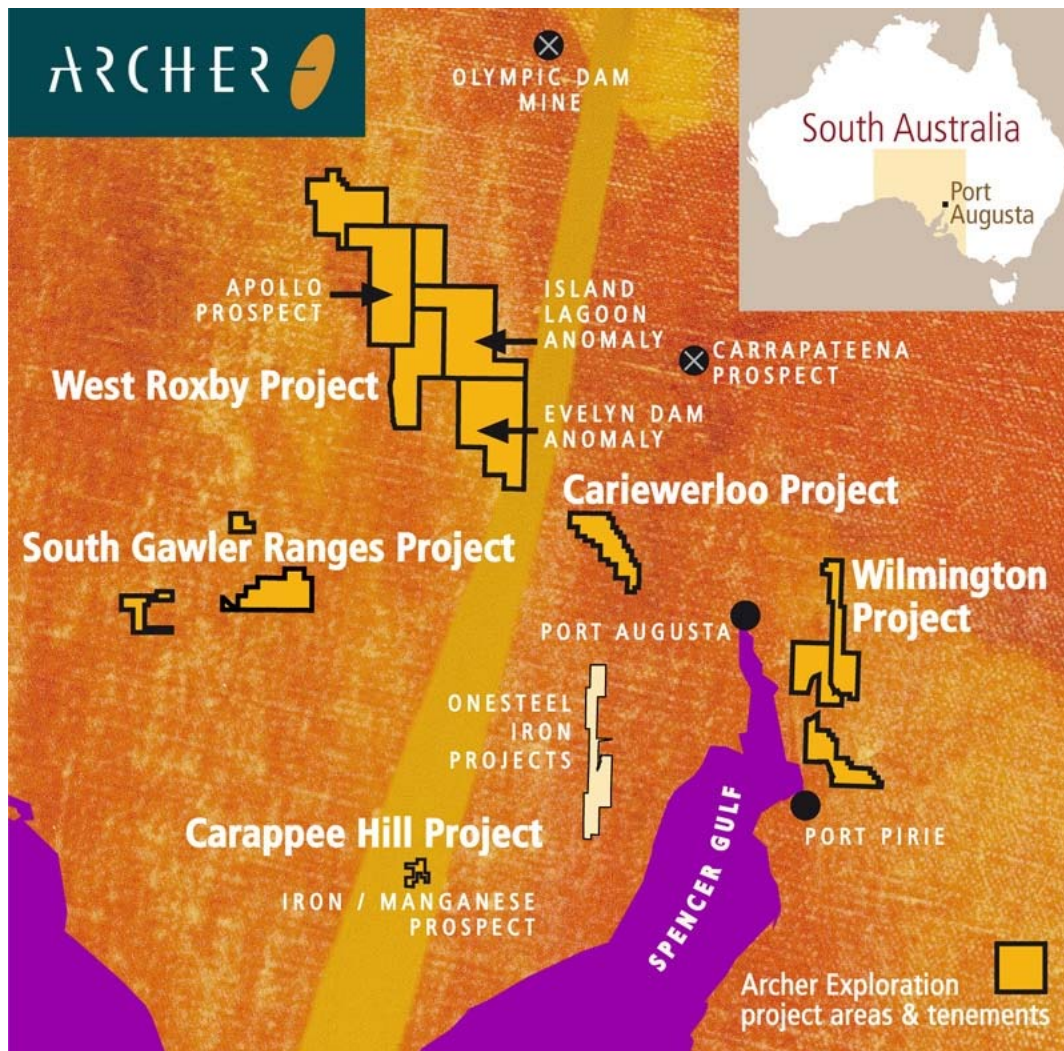
Media enquiries contact: Tom Phillips AM
General Enquiries contact: (08) 8132 0003

Archer Exploration Limited Company Projects

Archer Exploration Limited is an iron ore, manganese and base metals explorer focused on the discovery of world-class deposits. The Company has carefully acquired a portfolio of wholly owned projects in the highly prospective Gawler Craton region of South Australia.

The Company's Carrapee Hill Project on South Australia's Eyre Peninsula contains iron ore grades of up to 57% and manganese grades of up to 31%. The Company is undertaking further exploration at Carrapee Hill and is assessing a range of options for the further development of this exciting project.

The Company is also well advanced on the exploration of its Olympic Dam style iron oxide-copper-gold-uranium (IOCG-U) deposit. The Evelyn Dam anomaly has early geophysical characteristics similar to those of Olympic Dam and the recent Carrapateena discovery.



Map showing Archer's tenements covering prospective iron, manganese and base metal tenements in the Gawler Craton region of South Australia.