

## Form 603

Corporations Act 2001  
Section 671B

### Notice of initial substantial holder

To Company Name/Scheme **Alara Resources Limited (ASX code: AUQ)**

ABN 27 122 892 719

#### Details of substantial holder

Name **Contango Asset Management Limited**

ABN 52 085 487 421

The holder became a substantial holder on 27/10/2010

#### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities	Number of Securities	Person's Votes	Voting Power
Ordinary Shares	6,560,000	6,560,000	7.09%

#### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest	Class and Number of Securities	Person's votes Affected
Contango Asset Management Limited	Contango Asset Management Limited, in its capacity as the investment manager for the persons or trusts listed besides its name in Paragraph 4, has the power to control voting and/or the disposal of securities.	6,560,000 ord shares	6,560,000

#### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person entitled to be registered holder	Class and Number of Securities	Person's votes affected
Contango Asset Management Limited	HSBC Custody Nominees (Australia) Limited	Non-Govt Schools Superannuation Fund	Ord shares	953,800
Contango Asset Management Limited	National Nominees Limited	Contango Wholesale Microcap Fund	Ord Shares	1,152,500
Contango Asset Management Limited	National Nominees Limited	Contango Microcap Limited	Ord shares	4,453,700

## 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the date that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Type	Date of Acquisition	Consideration	Number of Ordinary Shares
Contango Asset Management Ltd	On market buy	27/10/2010	\$738,429	3,200,000
Contango Asset Management Ltd	Share Placement	27/10/2010	\$772,800	3,360,000

## 6. Associates

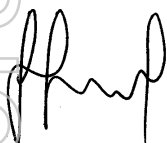
Not applicable

## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Contango Asset Management Limited	Level 24, 360 Collins Street, Melbourne, VIC 3000
Contango Microcap Limited	Level 24, 360 Collins Street, Melbourne, VIC 3000
Contango Wholesale Microcap Fund	Level 24, 360 Collins Street, Melbourne, VIC 3000
HSBC Custody Nominees (Australia) Limited	GPO Box 5302, Sydney, NSW, 2001
National Nominees	GPO Box 1406, Melbourne, VIC, 3001
Non-Government Schools Superannuation Fund Pty Ltd	Level 16, 99 Bathurst Street, Sydney, NSW, 2000

## Signature



GLENN FOWLES  
COMPANY SECRETARY  
29 OCT 2010