

19 January 2010

The Manager Companies
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

EPA Tasmania Approval for New Fossey Mine

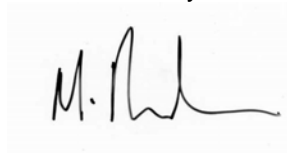
EPA Tasmania has notified Bass Metals Ltd (ASX:BSM) that it has approved its proposed new Fossey Mine development at Hellyer. Chair of the EPA Board, Mr. John Ramsay said Bass Metals Ltd had shown that the proposed facilities could be developed and managed in an environmentally acceptable manner.

Bass has lodged a permit application with the Waratah-Wynyard Council and the EPA Board's environmental assessments, including the conditions that it requires to be attached to any permit issued, have been forwarded to the council who will complete the assessment of planning considerations and decide if permits are to be issued. Bass does not anticipate any problems in having those permits issued promptly nor in meeting the operating permit conditions recommended by the EPA.

This is regarded as an important milestone for the Company's plans to scale-up its production profile from its existing Que River (copper-lead-zinc-silver-gold) mine with the development of a new second mine at its Fossey Deposit, part of its overall Hellyer mining and milling project.

Further updates on the Fossey Mine development are planned to follow in the near term and the Company considers it is on track to be in production and selling base metal concentrates this calendar year.

Yours Sincerely



Mike Rosenstreich
Managing Director