



QUARTERLY REPORT

DECEMBER 2012

ABN 54 102 622 051

Highlights

Wiluna West Iron Ore Project

- GWR completed a customer engagement program in Japan, Korea and Taiwan during the quarter with strong interest shown in the JWD lump product.
- JWD iron ore fines sinter pot test program defined and sample preparation concluded. Testing at CISRI in China is to commence shortly.
- Wiluna West Iron Ore Project environmental referral lodged with the EPA on 21 December 2012 under section 38(1) of the Act.
- Wiluna West to Esperance supply chain study undertaken with global engineering group.

Woodley Iron Project (JV)

- Maiden 21 hole 1608m RC drilling program yields significant DSO hematite/goethite intercepts. Significant intercepts from this program are summarised in Table 1, and include:

- WRRC001, 12m @ 55.8% Fe (63.2% Ca Fe) from 6m at Target 2
- WRRC007, 10m @ 58.2% Fe (61.8% Ca Fe) from 7m at Target 2
- WRRC014, 11m @ 57.5% Fe (61.2% Ca Fe) from 9m at Target 4
- WRRC015, 16m @ 58.8% Fe (62.1% Ca Fe) from 10m at Target 4
- WRRC016, 11m @ 58.2% Fe (62.4% Ca Fe) from 6m at Target 4

Note: Ca Fe = $\text{Fe}/(100-\text{LOI}) \times 100$, widths are down hole intercepts not true width.

Earaheedy Iron & Manganese Project

- In December 2012 GWR entered into an agreement with Dragon Energy Ltd to farm-in to the Lee Steere Project in the Earaheedy basin.
- A program of rock chip sampling and geological mapping has commenced
- A detailed Aerial magnetic survey is planned for January.

Corporate

- GWR acquired an initial 18.6% interest in ASX listed West Peak Iron Limited (WPI) for \$600,000 via a placement. In December 2012 GWR increased its interest to 19.9% by subscribing to a further placement of \$280,000.
- WPI completed its maiden drilling program at Bomi South in Liberia. Results confirm the presence of friable hematite/goethite bearing iron formation at widths of up to 40 metres true width near the surface with magnetite increasing with depth.
- GWR remains well funded with cash reserves of \$20.3 Million and no debt.
- RM Research released a research report on the Company.

About GWR

Golden West Resources Limited (GWR) is an emerging iron ore producer in the Midwest region of Western Australia.

To date the company has a total JORC Code compliant Hematite Reserve of 69.2Mt, comprising of Proven 2.9Mt @ 59.7% Fe and Probable 66.4Mt @ 60.3% Fe; and a Resource of 130.3Mt, comprising of Measured 3.7Mt @ 59.6% Fe, Indicated 77.2Mt @ 60.3% Fe and Inferred 49.5Mt @ 59.8% Fe, making it the second largest DSO resource in the Midwest Iron Ore Province.

Golden West Resources also has a JORC Code compliant gold Resource comprising an Indicated 46,000t @ 3.5 g/t Au and Inferred 3,432,000t @ 2.3g/t Au.

Corporate Summary

ASX code: GWR
Issued Capital: 192.14 Million
Issued Options: 24.6 Million
Cash on hand: \$20.3 Million

Board & Management

Gary Lyons
Non-executive Chairman

Mick Wilson
Executive Director

Tan Sri Dato' Tien Seng Law
Non-executive Director

Kong Leng (Jimmy) Lee
Non-executive Director

CA Lau
Non-executive Director

Mark Pitts
Company Secretary

Craig Ferrier
Executive General Manager

Enquiries

Richard Taylor
Riley Mathewson Public Relations

T: +61 8 9381 2144
M: +61 451 471 006

Wiluna West Iron Ore Project

Mining Approvals Major Project

Following receipt of the mining approval from the Western Australian Department of Mines and Petroleum for the JWD deposit in April 2012 (based on mining 1Mtpa for 3 years), GWR has been finalising work related to the approvals process for the larger Wiluna West Iron Ore Project. With expansion of the Project to an output of 10 Mtpa, and with the Project located within a Priority Ecological Community (PEC) and on Banded Iron Formation (BIF), GWR accepted that the proposal would require referral to the Environmental Protection Authority (EPA) under Section 38(1) of the Environmental Protection Act 1986. A referral document was prepared and submitted to the EPA on 21 December 2012. The EPA attempts to make a decision on the level of assessment of each submission within 28 days of receipt. In view of the referral of the submission by the EPA to the Department of Environment & Conservation (DEC) for their advice, it is expected that a decision by the EPA will be delayed but is anticipated to be published in *The West Australian* by mid-February 2013.

Infrastructure

In January 2012, the Western Australian Government, through the Minister for Transport, announced its decision to increase the Esperance Port capacity by up to 20 million tonnes per annum in a staged expansion plan. The Company has continued to advance discussions with interested parties in the planned increase of Esperance Port capacity. This has included Department of Transport (DoT), infrastructure groups, and other industry players.

In June 2012, the DoT and Esperance Ports Sea and Land (EPSL) advertised a market sounding in relation to the development plans and to support identification and selection of a proponent(s). The market sounding process progressed during the past quarter. GWR remains actively engaged in activities related to the proposed Port development.

In July 2012, GWR and EPSL entered into a Capacity Reservation Deed concerning the reservation of capacity in relation to facilities to be constructed as part of the proposed increase in export capacity at the Port of Esperance (New Facilities). The arrangements reserve capacity for GWR to export 3 million tonnes per annum utilising the New Facilities. GWR's right to access the Port or utilise any reserved capacity is dependent on the Company entering into a New Facilities Agreement on terms that are acceptable to the respective parties (including a future operator of the proposed New Facilities).

The preliminary results of a Yilgarn Iron Producers Association (YIPA) supply chain study details an initial modest Esperance Port and rail upgrade is the key to unlocking the potential of the Yilgarn Iron Province. Seven YIPA members, including GWR, commissioned the study to undertake high level modelling of infrastructure from loading points in the Yilgarn region along rail from Leonora and Koolyanobbing, to Esperance, and through car dumpers and loaders onto ships at Esperance Port. The details of the study have been shared with EPSL and the implications are that a low capital and incremental upgrading of infrastructure can be used to cater for stage one of the expansion program to export DSO material through Esperance Port.

GWR has independently commissioned engineering firm, AECOM to develop a GWR specific supply chain model customised to include transportation of ore from the Wiluna West mine site to potential rail hub(s) between Leonora and Menzies. This work will be used to further define the project development options and assist in current and future commercial discussions.

JWD Development

Resource Update

A Resource update is currently being undertaken upon the high grade DSO hematite JWD deposit based upon the infill drilling completed in the previous quarter and results are expected in the March 2013 Quarter.

Product Definition and Marketing

As reported previously, a metallurgical test-work program was designed to assess the potential of lump ore, to be mined from the JWD deposit, as blast furnace feedstock. The test-work program was undertaken at the CSIRO research facilities in Brisbane.

The results of the test-work have confirmed the JWD lump ore to be physically competent with high metallurgical qualities thereby providing a lump suitable for direct feed to the blast furnace. The JWD lump ore compares very favourably with lump currently exported from the Pilbara region and should be highly valued by North Asian steel mills.

This test-work data and other product and company information was utilised by GWR in its initial customer engagement program in Japan, Korea and Taiwan undertaken during October. GWR met with representatives of all major JKT steel mills and received strong interest for the ore.

A sinter pot test program has been defined for JWD fines and metallurgical sample preparation has concluded. Testing is scheduled to commence at CISRI in China shortly. This work will conclude the product definition test-work program and support ongoing discussions with steel mills and trading houses and determination of product mix and processing (crushing and screening) equipment selection.

Feasibility study

During the last quarter GWR undertook a water investigation program to identify the available water resource and water needs for the Wiluna West Iron Ore Project. Work to test the permeability of the aquifer was completed. In addition, Pennington Scott also conducted extensive pump testing of two production bores to test the responsiveness of the aquifer to dewatering and recharge. The third phase of this program of work is to model the water resource based on the results of the aforementioned work programs and then report on the results to DFS level. This final phase is scheduled to be completed during the March quarter.

Corporate

GWR remains well funded with cash reserves of \$20.3 million and no debt. In addition, the Company has cash backed security deposits amounting to \$1.1 million.

Investment in West Peak Iron

On 4 October 2012, GWR announced that it had acquired an 18.6% interest in ASX listed company West Peak Iron Limited (WPI) by participating in the placement of shortfall shares in WPI's recent entitlement issue. GWR subscribed for 12,000,000 shares at a price of 5 cents each, equating to an investment of \$600,000. WPI appointed Mr Kong Leng (Jimmy) Lee, a director of GWR, to their board.

Following the successful completion of their maiden drilling campaign at the Bomi South Project in Liberia the WPI Board announced a placement of 16 million shares at 7 cents each to raise \$1.12 million to accelerate exploration activities in Liberia. GWR participated in the placement by subscribing for a further 4m shares equating to \$280,000 and increased its interest in WPI's share capital to 19.9%. GWR's chairman Mr Gary Lyons has subsequently also been appointed a director of WPI.

WPI have been focusing on the Bomi South Project which is located 60km from the port of Monrovia in close proximity to existing railroads.

WPI plan to commence RC drilling at the Bomi South Project in early 2013 targeting iron mineralisation immediately along strike from the Bong Iron Project held by China Union. The Bong Iron Project is believed to contain Resources of 1.3 Bt @ 35.5% Fe as Itabirite mineralisation. The Bong Iron Project is an historical mine which has an existing railroad to the Port of Monrovia and is being redeveloped by China Union.

In November 2012 WPI completed its maiden RC drilling program of 689m RC at the western end of the Bomi South Project which was disrupted by wet season heavy rainfall. This drilling did yield significant intercepts which included 36m @ 30.12% Fe (refer WPI announcements).

Earaheedy Iron & Manganese Project

GWR continues to look for opportunities within the Earraheedy Basin, located approximately 200km northeast of Wiluna. This basin is considered highly prospective for both iron and manganese deposits. Following completion of the Lee Steere farm-in agreement (described below) GWR has now acquired a total area of 1,537km². Previous exploration mostly in the 1970s identified significant hematite/goethite mineralisation associated with the Frere Formation, which is evident on air magnetics (Figure 2). GWR's tenements and applications, based upon aerial magnetic data interpretation and geological mapping undertaken by the Geological Survey of WA ("GSWA"), are estimated to contain approximately 45km of strike.

Earraheedy Project (GWR 100%)

GWR tenement applications, with the exception of E69/2936 and E69/3020, have been granted. GWR and the Birriliburu Native Title holders executed an access deed for E69/2936 during the quarter. E69/3020 is subject to ballot with a competing application.

GWR has commenced a program of geological mapping and rock chip sampling on its wholly owned tenements and also those within the Lee Steere Project, whilst remote sensing and detailed aerial magnetic surveys have been scheduled to commence in January 2013.

Lee Steere Project (GWR earning 55%)

On 24 December 2012 GWR announced that through its 100% owned subsidiary Iron West Resources Pty Ltd ("Iron West") it had entered into an agreement with Dragon Energy Ltd (ASX Code: DLE and "Dragon") to farm-in to their Lee Steere Project which consists of two tenements, E69/2126 and E69/2377 ("Farm-in Agreement"). Dragon holds the two tenements with the iron ore rights for the tenements being subject to a joint venture between Dragon and Polaris Metals Pty Ltd ("Polaris") a wholly owned subsidiary of Mineral Resources Limited (ASX Code: MIN).

The 155km² Lee Steere Project is located in the Earraheedy Basin (Figure 1) approximately 200km north east of Wiluna and E69/2377 is located immediately to the north of E69/3022 held by GWR (Figure 2). The Earraheedy Basin is considered highly prospective for iron and manganese deposits, with iron mineralisation associated within the Frere Formation.

Previous exploration in the 1970s principally, by Amax and BHP, identified hematite and goethite mineralisation along the Frere Formation. Recently there has been a surge of exploration activity within the region with Anglo American executing a joint venture agreement with Cazaly Resources and Vector Resources in 2011 over ground adjacent to the Lee Steere Project. Anglo can earn up to 75% via staged payments of up to \$51M and completion of a BFS. Other ASX listed companies active in the region include Atlas Iron Limited (Giralia), Zenith Minerals Limited and Enterprise Metals Limited.

Exploration by Dragon has included reconnaissance geological mapping, rock chip sampling, ground magnetic surveys and a gravity survey. Results from this work have identified significant iron and manganese mineralisation, with rock chip sampling results ranging from 30.5% up to 65.6% Fe and 17.7% up to 49.5% Mn.

Under the Farm-in Agreement Iron West has agreed to farm into Dragon's interest in the tenements and the Polaris joint venture ("Joint Venture") on the following key terms:

- Iron West can earn a 55% interest in the tenements and iron ore rights by spending approximately \$845,000 on Joint Venture Expenditure (which includes exploration, development and mining expenditure);
- Iron West is obliged to spend a minimum of \$350,000 on Joint Venture Expenditure within 24 months of the commencement date, after which time it can elect to withdraw;

- Unless Iron West elects to withdraw it will make a payment of \$200,000 to Dragon (payable at the election of Iron West in either cash or shares in GWR);
- Iron West to be appointed manager of the Joint Venture upon earning its 55% interest;
- Upon completion of the farm-in commitment by Iron West the interest of the respective parties in minerals on the tenements will be as follows:

Name of party	Iron Ore	Other Minerals
Iron West	55%	55%
Dragon	20%	45%
Polaris	25%	Nil

Woodley Iron Project

In November 2012 GWR announced encouraging results from a maiden 21 hole 1608m RC drilling program undertaken at the Woodley Project; where GWR through its 100% owned subsidiary Iron West Resources Pty Ltd is earning its interest from ASX listed Nemex Resources Limited (“Nemex”).

The 420km² Woodley Project is located 600km north of Perth and 100km south west of the GWR Wiluna West Iron Project in the mid-west region of WA (Figure 1) and contains a northwest trending banded iron formation (“BIF”) with a strike length of 22km.

The RC drilling program was a first phase program designed to test four initial DSO target areas identified by earlier rock chip sampling and geological mapping over a strike length of 15km (Figure 3) Significant intercepts from this program are summarised in Table 1, and include:

- WRR001, 12m @ 55.8% Fe (63.2% Ca Fe) from 6m at Target 2
- WRR007, 10m @ 58.2% Fe (61.8% Ca Fe) from 7m at Target 2
- WRR014, 11m @ 57.5% Fe (61.2% Ca Fe) from 9m at Target 4
- WRR015, 16m @ 58.8% Fe (62.1% Ca Fe) from 10m at Target 4
- WRR016, 11m @ 58.2% Fe (62.4% Ca Fe) from 6m at Target 4

Note: Ca Fe = $Fe / (100 - LOI) * 100$, widths are down hole intercepts not true width.

The hematite/goethite mineralisation intersected by the RC drilling is encouraging as it now can be demonstrated that the surface mineralisation is not simply a thin enriched capping over BIF.

- At Target 2, holes WRR001 and WRR002 tested up and down dip respectively of NWDR006 drilled by Nemex in 2011, which intersected 16m @ 54.8% Fe (60.6% CaFe), from 37m. This confirms the up and down dip continuity of the mineralisation
- At Target 4, holes WRR014, 015 and 016 confirm that multiple parallel mineralised bands are present at this location. WRR017 and WRR018 drilled down dip of WRR014 and WRR015, both intersected significant mineralisation however WRR018 had lower widths and slightly lower assays than holes nearer surface

Table 1 - Significant RC Drilling Results Woodley Project

At >50% Ca Fe

Target	Hole ID	North	East	Azi / Dip	From	To	Interval	Fe	Ca Fe	SiO ₂	Al ₂ O ₃	P	LOI
2	WRR001	6940675	739350	270 / -60	6	18	12	55.8	63.2	6.4	4.3	0.08	8.7
2	WRR002	6940675	739390	270/ -60	67	78	11	49.5	53.9	17.9	2.2	0.24	8.2
1	WRR005	6942600	738860	270/ -60	6	10	4	52.7	57.8	9.5	5.8	0.06	8.8
					38	42	4	56.9	61.1	8.5	2.8	0.09	6.9
2	WRR007	6941043	739150	270/ -60	7	17	10	58.2	61.8	6.8	3.7	0.11	5.9
3	WRR012	6937540	740060	270/ -60	8	15	7	52.6	59.4	6.4	5.0	0.17	11.5
4	WRR014	6935400	740950	270/ -60	9	20	11	57.5	61.2	9.9	2.1	0.05	6.1
4	WRR015	6935400	741040	270/ -60	10	26	16	58.8	62.1	7.5	2.8	0.06	5.3
4	WRR016	6935400	741100	270/ -60	6	17	11	58.2	62.4	7.1	2.4	0.06	6.6
4	WRR017	6935400	741065	270/ -60	31	35	4	60.4	63.2	7.5	1.3	0.10	4.4
4	WRR018	6935400	740970	270/ -60	15	22	7	56.4	59.4	9.5	4.3	0.06	5.8

Notes: Ca Fe = Fe/(100-LOI)*100

Minimum width of 4M with maximum of 1m of internal dilution

All assays by XRF at Ultratrace Laboratories Perth

Project Generation

As previously announced the Company is now actively seeking other iron ore and bulk commodity opportunities within Western Australia and elsewhere.

Competent Person's Statement

The information in this report which relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brian Vardell, who is a Fellow of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Vardell is a consultant of Al Maynard & Associates Pty Ltd and has 40 years of experience in exploration and mining in a variety of mineral deposit styles. Mr Vardell has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Vardell consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1: Project Location Map

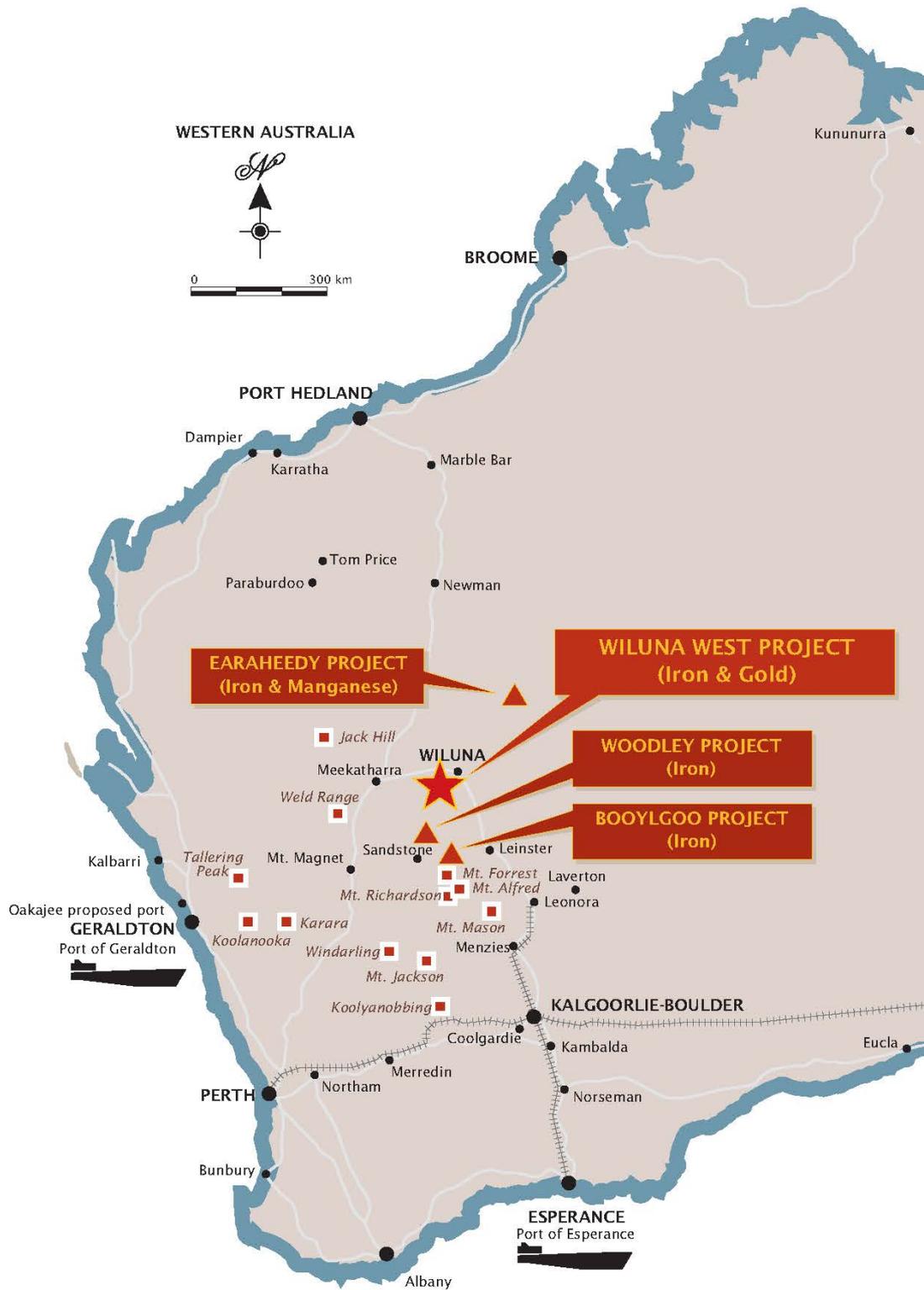


Figure 2: Earahedy Regional Magnetics

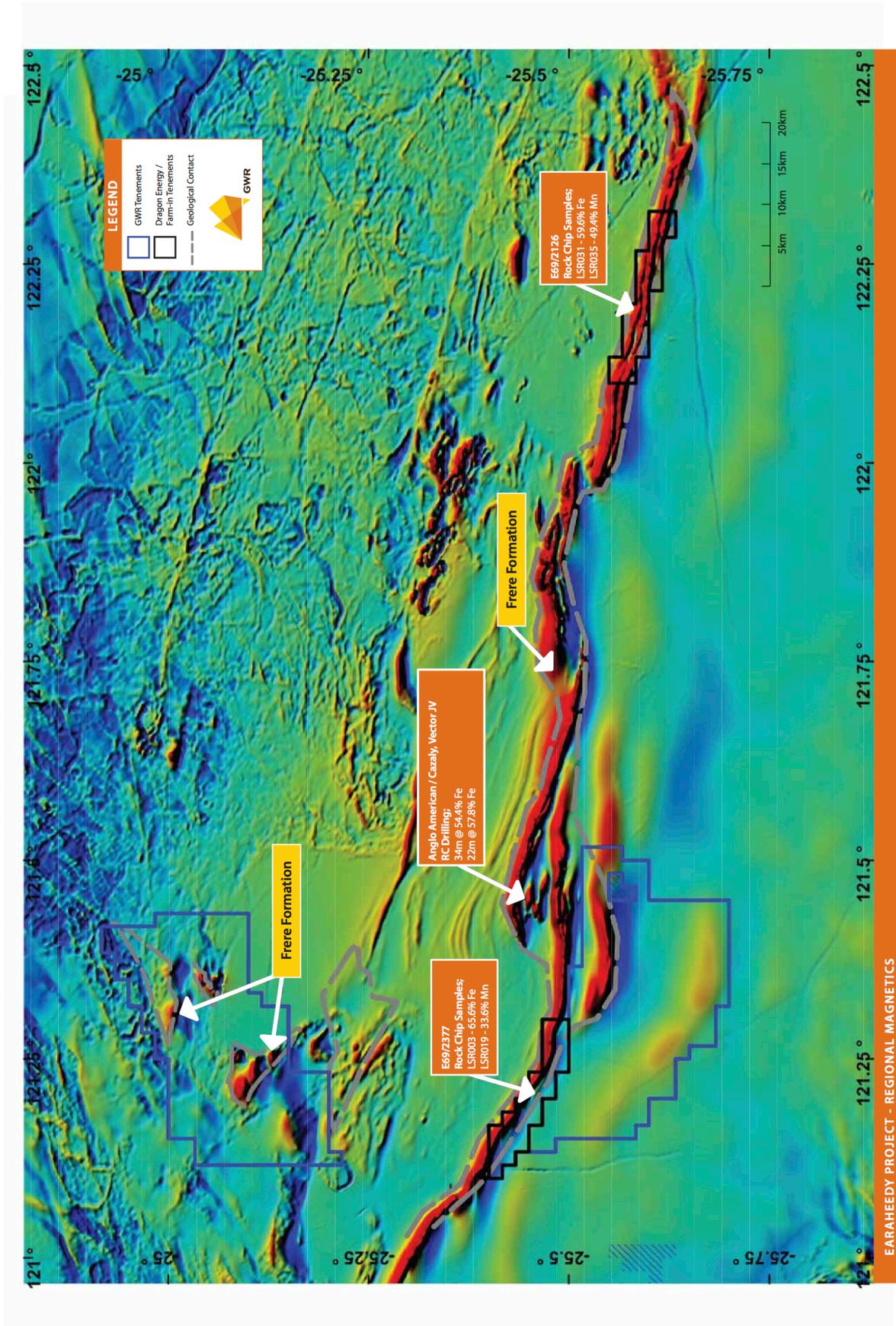
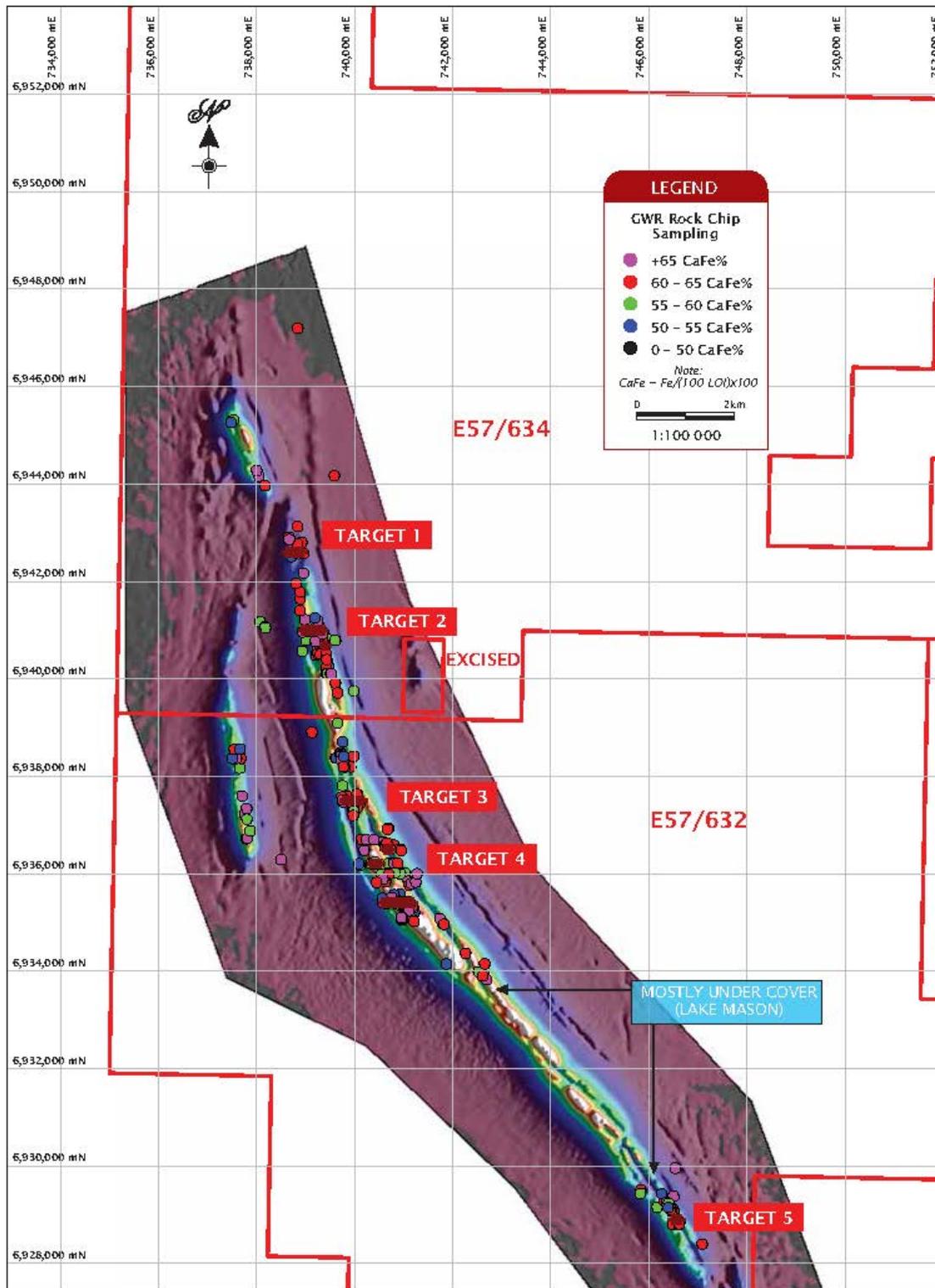


Figure 3: Woodley Project Air Magnetics & Rock Chip Sample Results



Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Golden West Resources Limited

ABN

54 102 622 051

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

		Current quarter (3 month's) \$A'000	Year to date (6 month's) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,512)	(3,196)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(879)	(1,375)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	217	855
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(2,174)	(3,716)
Cash flows related to investing activities			
1.8	Payment for: (a) prospects	-	-
	(b) equity investments	(880)	(880)
	(c) other fixed assets	(3)	(8)
1.9	Proceeds from: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Environmental bonds & security deposits)	(16)	(17)
Net investing cash flows		(899)	(905)
1.13	Total operating and investing cash flows (carried forward)	(3,073)	(4,621)

1.13	Total operating and investing cash flows (brought forward)	(3,073)	(4,621)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(3,073)	(4,621)
1.20	Cash at beginning of quarter/year to date	23,334	24,882
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	20,261	20,261

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	312
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of fees, salaries and superannuation to the directors of the Company during the quarter.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,943
4.2 Development	-
4.3 Production	-
4.4 Administration	754
Total	2,697

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Curent quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	274	2,185
5.2	Deposits at call	19,987	21,149
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		20,261	23,334

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	192,142,447	192,142,447		
7.4 Changes during quarter (a) Increases through issues: (b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	21,500,000		Exercise price \$0.58	Expiry date 22 Nov 2015
	700,000		\$0.58	4 Jan 2016
	1,400,000		\$0.58	22 Feb 2016
	1,000,000		\$0.58	22 Mar 2016
7.8 Issued during quarter Unlisted options to employees & a contractor Unlisted options to a consultant Unlisted options to an employee				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

7.12 **Unsecured notes** (*totals only*)

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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date:

30 January 2013

Print name:

Mr Craig Ferrier
Executive General Manager

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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