8. The lab is currently working on many Ammo Group requests for Marketing samples and photos in support of new product introductions and the catalog.

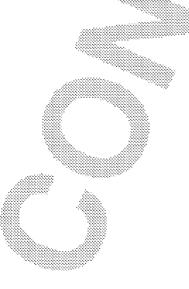
Overall the lab is very busy and getting busier. Anticipate a high level of overtime needed during the 4th quarter to complete planned testing in support of both Ammo and Firearm projects.

Miscellaneous Activities

- Gave quarterly reviews to senior management on project status of the Direct Conversion Steel Shot project and a proposed Clay Target Improvement project.
- 2. Gave update on project status of the Direct Conversion Steel Shot project at the Ammo Product Team meeting held in Estown on August 23rd.
- 3. Still providing some technical guidance on NAS activities aimed at improving the recoil jack. Primary focus is to lower recoil forces transmitted to gun components (primarily the stock) and to get better agreement in functional performance between the jack and the shoulder.
- Assisting Ilion (Jim Hennings) in developing procedures to implement a recoil jack maintenance program. The latest date for Jim Hennings visit is the week of Sept. 11.

• Direct Conversion Steel Shot Project

- 1. Wheelabrator samples due on Sept. 16th with various heat treat processes.
- Jim Urbon has completed evaluation of all Metaltec anneal experiment samples. Hardness is still considerably above Remington specification. Will continue experiments at higher temperatures.
- 3. Waiting for Frehm samples from Lonoke (Conditioned shot) to run choke strain measurements. Production orders are in place with Frohn for their high quality shot. Delivery is expected in the 4th quarter.
- 4. Learned that Ervin Industries had recently acquired Crosmans shot making equipment. They will relocate this equipment to their production facility in Tecumseh. Mt.



Subject to Protective Order - Williams v. Remington