



Q3 2019 Investor Update

Hello Friends and Investors of HyperSciences!

The last few months have been very exciting. As planned each quarter, here is the Q3 2019 update as we completed another productive quarter!

New Video !

They say a picture [or video] is worth a thousand words! In that spirit, I wanted to share a video that shows the team's tremendous progress to date and gives you a sense of what our JIP partners are seeing in action during the Q4 demos:

Vimeo: <https://vimeo.com/367060371>

YouTube: <https://youtu.be/ZxnMoOBrbNw>

You may notice, we have an awesome new logo! The Austin Team did a great job getting the video/communications clear in Q3 and updated the logo helping us look hyper cool.

Joint Industry Project (JIP) Update

The Phase 1 JIP for HyperDrilling and HyperTunneling demos was well underway in Q3. We have manufactured, assembled, and tested two HyperCore systems, which are the foundational modular accelerators that can be utilized for rock impact drilling, tunneling and mining.

The first HyperCore system is located at our MineLab site in Northern Idaho. This field-deployed configuration is semi-automated and is used to demonstrate the filling, firing, and drilling and tunneling (rock breaking) processes. The current cycle time between shots for this system is approximately 5 minutes. We will utilize this configuration for much or all of Phase 1 of the JIP by capturing key data outputs and demonstrating the technical performance of our technology. To-date, we are currently exceeding Mach 4 (1372 meters/sec, over 3000 mph) with our projectiles so they can impact efficiently into rock at Minelab.

The second system is located at our HyperLab facility in Washington State, where our development team has assembled an automatic loading system with a cycle time of approximately 15 seconds. We plan to incorporate this technology into the commercial prototype developed during Phase 2 of our JIP. The HyperCore 50 continues to be the workhorse for both drilling and tunneling demos.

Speaking of Phase 2, we have also completed an initial design of the HyperDrill Bottom Hole Assembly (BHA) that will be utilized within the commercial prototype of the HyperDrill. The Bottom Hole Assembly represents all the critical components such as the drilling bit, HyperCore and projectile and propellant handling systems, etc. for the drilling system that are in the hole, not on the surface, which are critical to deploying a full operational system. We plan to work closely with our JIP partners as we complete our design and commission this system in the months ahead.

In summary, we are excited to demonstrate our technology's potential to revolutionize the drilling, tunneling and mining industries, and are looking forward to continuing to partner with major energy and natural resources companies in the next phase of our HyperDrill and HyperMining JIPs planned for kicking off in early 2020!

Finance Update

HyperSciences continues to work on our paid contracts (\$550,000 in total contract values) with Shell and another major resources company during this initial Phase 1 test period. Along with the test results from the HyperDrilling and Hyper Tunnel Boring field trials, we will deliver proposals for Phase 2, which will include much larger revenue contracts with these Major companies. We are also pursuing several other Majors for Phase 2 contracts and recurring revenue contracts.

The most recent Semiannual Report can be found on Edgar at the Securities and Exchange website titled "Semiannual Report Pursuant to Regulation A" filed on Form 1-SA on September 30, 2019, and is referenced herein as the Semiannual Report with a link at the bottom of this update.

The following is a Quick Financial Snapshot (per the semi-annual report):

"During the semiannual period ended June 30, 2019, HyperSciences, Inc. (the "Company") had \$170,000 in revenues. There were no accounts receivable as of the end of the semiannual period. These revenues were the result of the Company's successful completion of deliverables under a NASA Phase I Small Business Innovation Research contract (Exhibit 6.12) and the Shell Joint Industry Project (Exhibit 6.13).

The Company had net losses from operations of \$3,271,384 during the semiannual period ended June 30, 2019. These losses were largely attributed to research and development, general and administrative expenses, personnel expenses and professional fees related to the ongoing operations and funding needs of the Company.

The Company expects to continue to experience net operating losses during its development phase. Historically, the Company has relied upon investor funds to maintain its operations and develop the Company's business... " See below for link to full report.

Following up on the closing of our \$9.2M Reg A+, Series A financing round, we successfully executed an additional Reg D offering that raised an additional \$866k. Total gross funding raised through the sale of Series A Preferred Stock as of the end of September was ~\$10.1M.

Looking ahead, following successful JIP demo results, we will look to further contracts and, as always, keep open the option to raise additional capital to continue our relentless execution as we work toward bringing our technology to market. Per plan, with a significant amount of the planned HyperCore development capital expenses complete, we have throttled-down our near-term CapEx portion of our spending (See SEC semi-annual report) and we continue to actively manage our monthly burn to endure the most conservative estimates for securing Phase 2 funding (Q1/Q2 2020) Our priority is to now deliver customer results while efficiently spending and ensure we are well-capitalized to achieve the Phase 1 milestones and enter into Phase 2 testing and further revenue contracts.

I look forward to sharing more news with you following our Q4 JIP demos. In the meantime, we are excited to deliver on what we've promised to our partners and beyond!

Thank you as always for your continued support.

Founder & CEO

Mark

Mark C. Russell
CEO, HyperSciences Inc

For further information:

The most recent Annual Report can be found on Edgar at the Securities and Exchange website titled "Annual Report Pursuant to Regulation A" filed on [Form 1-K](#) on April 29, 2019, and is incorporated by reference herein as the Annual Report (EDGAR).

HyperSciences, Inc is currently offering securities through a Reg D (506c) filing with the Securities and Exchange Commission (SEC). Previously, HyperSciences has offered securities through the use of an Offering Statement that has been qualified by the Securities and Exchange Commission under Tier II of Regulation A. A copy of the Final Offering Circular that forms a part of the Offering Statement may be obtained here: [HyperSciences, Inc. Reg D \(506c\) SEC filing](#)

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