

Q3 2021 Investor Update



[100 mm: HyperTunnel + HyperDrone](#)

Friends and investors of HyperSciences,

Thank you for all of your awesome support with your investments and emails over the past few months! The team here at HyperSciences has been firing on all “HyperCore” cylinders with several company developments underway and we’re excited to share updates below.

This is rocket science after all and as part of our continuing commitment to safety and regulatory compliance we are in regular contact with relevant government agencies including the ATF (Alcohol Tobacco and Firearms) division of the Dept. of Justice (DOJ).

Very Successful ATF licensing: Through our continued engagement with the ATF agency we are very pleased to announce that they have classified us as an *on-demand instant* explosive manufacturer, with **a nationwide permit to deploy to any site and operate our machinery without the need for site specific blasting licenses**. Since we never use conventional explosives we never have to use or store those explosives in typical mining and tunneling operations. Similar to a jet engine or an internal combustion engine, we combust low-cost mix of industrial gases (air/fuel) and this opens many markets for us. For many of our customers, we believe we can eliminate complex, expensive, lengthy and slow permit processes, even in cities, with our HyperTunneling and Mining systems additionally it makes HyperDrill very easy to deploy to customers. Not only does this streamline our general operations, but it also offers massive time and cost-saving advantages with our systems in comparison to approaches like drill and blast - which must always be permitted for every site.

BUSINESS

Phase 2 HyperDrill Joint Development Agreement – Milestone 2 Completed!

We have completed our second milestone for our Major world-class mining partner and are now working to complete increment 3 of 4 for the HyperDrill Joint Development Agreement and are working diligently on our next set of requirements.

We continue to execute and meet deliverables for this multi-million HyperDrill contract with our Major partner and will begin discussion on next year's development budget at the completion of next milestone deliverables.

The MoneyShow – [Video](#)

It was a pleasure to be on the MoneyShow to discuss HyperSciences’ technology applications across Clean Energy Drilling, Tunneling, Mining, and Aerospace. We have investor interest from this new accredited investor marketing channel and the last Reg D webinar ([Click here](#) to view the video) we did for our current investors has also been beneficial. We will have a final closing Reg D webinar soon.

FINANCE

Reg D Investment Round is going well with significant investment received.

We are excited to tell you that our **Reg D investment round is still open**. Please note that this round will be priced at a **20% discount to the next equity offering**. [Click here](#) to learn more and invest. The investment minimum is \$10,000 and investors must be accredited so click here for our [deal terms](#). All indications of interest must be submitted via our Reg D Accredited Investment form.

New Reg CF – opening soon

We plan to open a new crowdfunding campaign as soon as we close the Reg D Investment round. Stay tuned, more coming on this!

HYPERCORE TECHNOLOGY UPDATE

Ram Accelerator R&D at the University of Washington (UW) Ram Lab

Our sponsored research program continues to realize breakthroughs at the UW Ram Lab and this quarter a number of key milestones have been achieved. Firstly, record breaking thrust from the baffle tube ram accelerator (BTRA) engine! Secondly, we are seeing excellent performance with our proprietary HyperPropellant mixture. Record breaking thrust from the BTRA engine allows us to break more rock and reach new heights (literally). Our proprietary, yet low-cost, HyperPropellant mixture gives us a common propellant across our systems that is scalable and deployable across a wide range of environments. This is great news!

The UW Ram Lab continues to work on our technologies through our sponsored research contract, and quite frankly, every weekly update feels like Christmas. The performance of the BTRA engine is now proving to meet and exceed our expectations from a fundamental physics-level and with HyperSciences adding in our HyperCore autoloading and propellant handling systems, we will enable our vision of regular hypersonic flight.

HyperDrill

We are approaching a major milestone (Increment 3 out of 4) in our HyperDrill Phase 2 program with our customer (a Major Top 10 Mining Company in the exploration and drilling space). It is a very exciting time for HyperSciences and it's all hands on deck for a December demo! We are making excellent progress on our downhole HyperDrill tool development and we are very excited to be able to share specific details on our customer as soon as we can. In the meantime - we can share some of our fantastic progress with you all.

Previous quarters saw us demonstrating the excellent rock breaking performance of the HyperDrill, which performed above our expectations. This quarter we have been working on scaling the automation of our systems, so that eventually we will be able to do thousands of continuous shots. Obviously, there are always engineering challenges with large scale automation tasks, but we are really proud of our team and the progress we've made. We're already demonstrating our new autoloader and are improving our infrastructure to support a much larger number of continuous shots. As a platform hypersonics tech company, these autoloading systems are a pathway for not only the 38 mm systems, but also for the 100 mm tunneling, mining and potentially aerospace systems as well. Lots of work left, but excellent progress so far!

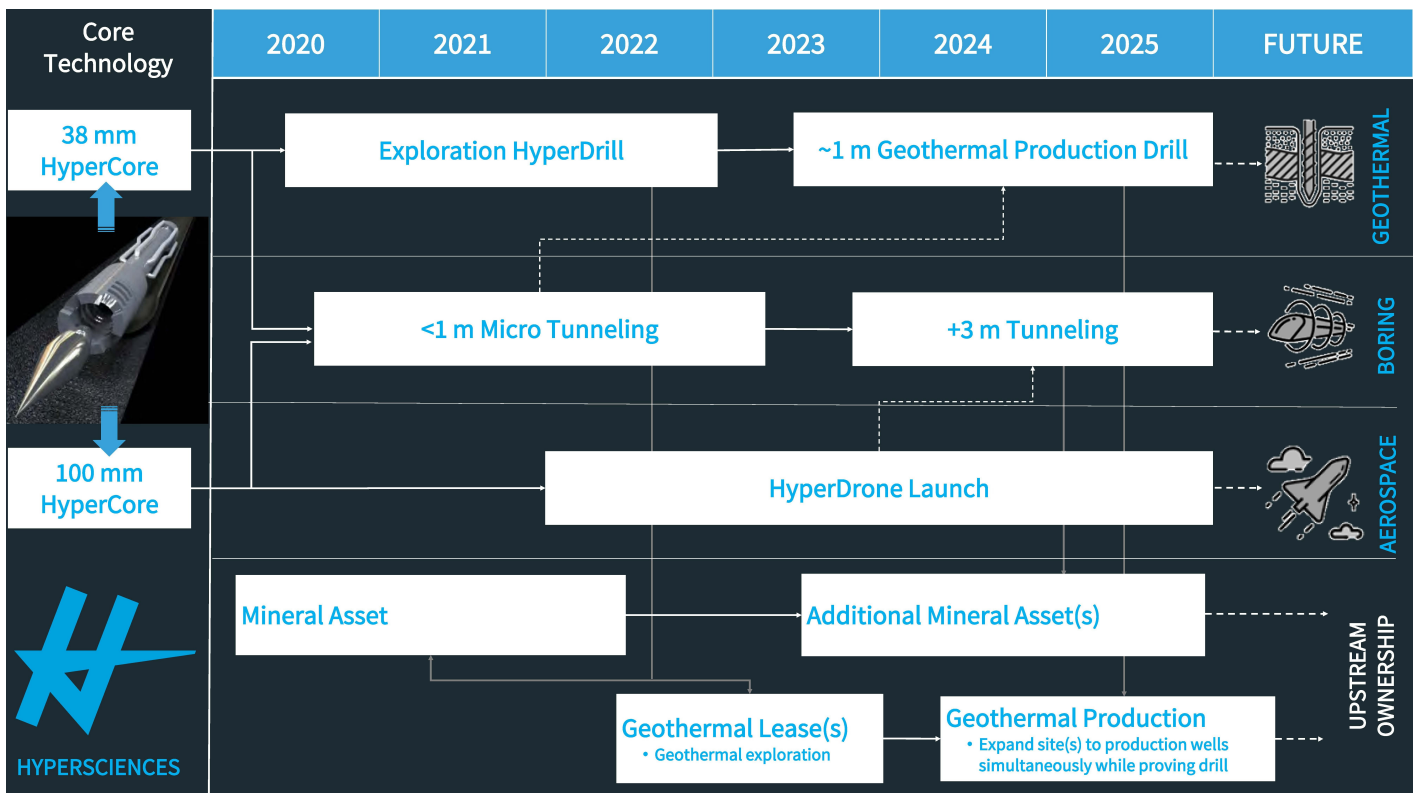
In parallel to the HyperLab infrastructure improvements, we are also excited to announce a new mobile facility that we are developing in our backyard at our HyperLab test site near our engineering headquarters. This new site is a mobile test demonstrator of our technology in the field, and it will allow us to quickly deploy our technology to potential customers for demonstrations and help us quickly win future contracts with proof in customer field conditions. In the meantime, it also serves as a platform to demonstrate our HyperDrill technologies in a field test environment while still providing lab support and keeping both the design and test teams working in lock-step together, saving time and money and delivering earlier than would be possible if traveling to field test sites for development testing. A win-win for our customers and for us!

We are continuing to successfully test and analyze our HyperDrill tool and look forward to sharing results as they come available as part of the new contract phase. Again, thank you for your great support of HyperSciences. Q4 will be an exciting time for HyperSciences, so please stay tuned for more updates!

Geothermal

As we approach the end of the year, we are nearing completion of our Phase 2 contract and we have been hyper-focused on our HyperDrill development, and this is great news for geothermal near and long-term. Again, as a platform technology development company, we recognize the synergy of the approx. 6-5/8" (168 mm) diameter mineral exploration tool that is in development with our major partner for the geothermal

exploration use-case (slimline temperature profile exploration tool) as well as teaching us the deep, hard rock requirements we need to develop the much larger diameter deep geothermal case-while-drilling tool that we won the DOE Phase 1 – Geothermal manufacturing prize in 2020. The following roadmap from our active Reg D finance offering is helpful in understanding the 38 mm and 100 mm development and the related value of synergy of HyperDrill, Geothermal production and Hyper-Tunneling.



HyperDrone Aerospace & Micro-Tunneling

Last quarter we hinted at some of the work we have been doing to develop a larger system that is appropriate for tunneling and aerospace at the 100 mm (4") diameter scale and you saw our CEO Mark Russell holding a very large projectile indeed! As you might have realized from the top of the document, we now have pictures (and high-speed camera footage) of that very projectile Mark held flying at our MineLab site: MISSION ACCOMPLISHED (sideways!).

This flight marks a major milestone for the company and a proof point for a payload of this size. While much of our focus for this quarter is currently on our HyperDrill Phase 2 contract, we are continuing to move this system forward as part of a larger infrastructure development piece across much of our systems. In parallel to this infrastructure work, we are continuing negotiations with Spaceport America (where Richard Branson's Virgin Galactic launches took place) to begin horizontal flight tests of the system at their facility in New Mexico where we ultimately plan to launch payloads past 85 km (NASA definition of space). More updates in the 100 mm dual-use case for hypersonic aerospace flight testing as well as tunneling will be provided in the next updates!

Thank you to everyone for all the support so far this year. We hope everyone stays healthy and safe as we head into the holiday season!

All the best,

Mark Russell
CEO, HyperSciences, Inc.



Forward-Looking Statements

This email includes statements that describe expectations regarding future periods, which might be considered forward-looking statements. Assumptions underlying these expectations could be inaccurate and you are cautioned not to place undue reliance on any forward-looking statements. HyperSciences undertakes no obligation to publicly update or revise any forward-looking statements. Please review HyperSciences' most recent annual report on [EDGAR](#) to learn more about the principal risks, uncertainties, assumptions, and other important factors that could cause actual results to differ materially from any forward-looking statements.

About HyperSciences

Founded in 2014, HyperSciences develops and builds innovative hypervelocity technologies intended for major industries such as fast tunneling, energy drilling and aerospace. HyperSciences previously offered securities under Tier II of Regulation A and Regulation Crowdfunding, and is now subject to current and periodic reporting obligations. You can access these reports and other securities filings on [EDGAR](#). HyperSciences has a Reg D 506(c) offering of securities open for accredited investors.

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