

Q3 2022 Investor Update



BUSINESS SUMMARY

HyperSciences is focusing on further developing and testing our existing 100mm (4 inch diameter) HyperCore systems which are much more powerful than the previous compact 38mm (diameter) HyperCores for HyperDrill. We are preparing and integrating the 100mm system to be ready for further field demonstrations. We are targeting markets that pay well in R&D (Aerospace) as well as mining and tunneling markets that use industrial products that our systems can displace in the near-term while we continue to seek HyperDrill geothermal energy partners, as the geothermal application will have a longer development cycle. We are focused on revenue operations with the larger gear we own now to demonstrate for today's markets.

TECHNOLOGY UPDATE



Our 100mm (4 inch diameter) system is currently being commissioned at the HyperLab Test Facility as shown in the image above. This is the common HyperCore system where the shorter system on the green mobile rig shown in top picture is intended for tunneling and mining demonstrations replacing drill and blast jumbo rigs (bottom right image: Sandvik) and the longer ram accelerator based system in the lab is for government and commercial aerospace demonstrations.

Geothermal

HyperSciences continues to pursue major partners in Houston and Dallas, Texas for development of our next generation HyperDrill HE (High Energy) system that was proposed in the submission to the Department of Energy February 2022 Funding Opportunity Announcement for Geothermal Drilling Technology Demonstration Campaign. HyperSciences submitted an \$8M proposal but were informed in Q3 that we were not selected to advance to the contract negotiation phase. Others we were competing against were larger-scale mature companies with higher technology readiness levels for their technologies with modest (25%) minimum performance gains as opposed to our target 3-5X (300-500%) drilling rate proposal. We knew our proposal was competitive but also knew that a higher risk (but higher performance) would score lower. We continue discussions with majors that are making some investments in geothermal.

Aerospace

HyperSciences continues to have monthly revenue of approximately \$100,000 for monthly services to a commercial aerospace company for testing and engineering services synergistic with our 100mm HyperCore system. We have visited and are under NDA with a large aerospace contractor company in the US (Huntsville, Alabama) and have also pitched to VCs who have expressed an interest pushing forward our HyperSonic Launch technology to major branches of the US government for rapid hypersonic test and flight programs. We are also awaiting responses to proposals we have already submitted with the US government and additional programs continue to become available for us to submit applications. We believe there is a bright future for the US and its Allies in new hypersonics development and we are actively pursuing this market to support the US. Mark Russell, CEO, has

visited Spaceport America this quarter to begin discussions with them on the testing phase of the 100mm system.

FINANCE

Regulation Crowdfunding – Closed

Our Reg CF financing on StartEngine closed on September 28, 2022 with over \$400,000 raised. This raise was completed during volatile market conditions and we had a strong last few days leading up to the closing. Thank you to all of our crowdfunding investors who participated!

Reg D - Open Now for Accredited Investors

Contact us at investor@hypersciences.com or visit our investor page [HERE](#) if you are an accredited investor and would like more information on participating in our Reg D financing. Please note that the pricing per share for the Reg D is the same as the Reg CF offering.

Confidential and Private Communication to Stockholders of HyperSciences, Inc.

NOT INTENDED FOR DISTRIBUTION

This communication is being made pursuant to and in accordance with Rule 135 under the Securities Act of 1933, as amended (the “Securities Act”). As required by Rule 135, this communication does not constitute an offer to sell or the solicitation of an offer to buy securities, and shall not constitute an offer, solicitation, or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction. Any offers, solicitations or offers to buy, or any sales of securities will be made in accordance with the registration requirements of the Securities Act.

Process towards public listing continues

As discussed in the CEO letter to investors in September, prior to our Reg CF closing, we outlined a path we are pursuing to bring the company to the public markets. That process is going well. Because this is highly regulated, I feel it is important to restate the language from the September letter verbatim in this quarterly update to further underscore our commitment to access to capital and liquidity for our investors.

We are starting down the IPO path and intend to commence an IPO in 2023 as a US issuer intending to list on a Canadian stock exchange, as well as on a US exchange. We have interviewed many investment banks and have already received an engagement letter from a firm and are in discussions with several others. We have not signed an engagement yet with any lead underwriters, we do not have any terms of an offering, we have not applied yet nor have we been accepted to list on a stock exchange in Canada or the US, and we have not determined what the timing of an IPO would be.

The Canadian capital markets have the largest mining stock concentration with roughly 43% OF THE WORLD'S PUBLIC MINING COMPANIES LISTED IN CANADA, which is naturally a great fit for HyperSciences.

Whether or not we complete an IPO, we will remain a US company but will be more heavily focused on the Canadian investor base. These investors deeply understand the value of our HyperCore products as a faster, lower-cost replacement for underground explosive drill and blast mining/tunneling. Additionally, we believe that there is also significant interest in the further upside growth for us in the government and commercial aerospace markets as well as geothermal.

Here is what we have done so far to work towards an IPO:

- We have completed initial meetings with several Canadian and US-based investment banks, and are moving forward with advanced discussions and due diligence.
- We have retained a US securities attorney — the law offices of Thomas E. Puzzo, PLLC, Seattle, Washington — to begin the S-1 registration filing process in the US.
- We have been filing our PCAOB-compliant audited company financials with the US Securities and Exchange Commission (SEC) as a Regulation A and CF reporting company since 2018, as required by the SEC due to our crowdfunding financings.
- We have retained Canadian counsel for the Canadian public listing. Marek Lorenc — of law firm Aird & Berlis LLP, Toronto, Canada — has been instrumental in leading us through the investment bank process.
- We have retained the Canadian investor relations and marketing firm LodeRock, and have developed a brand new corporate deck.

We are aware that we face significant headwinds in commencing an IPO in the US since about 87% of companies that went public last year in the US are trading below their IPO prices and, as such, that US underwriters may not be inclined to advise us to commence an IPO in the US at the current time.

You are visionary investors: some of you have been investors since mid-2018. Some of you are new to HyperSciences. All of you share a common vision to use our hypersonic technology to improve life on Earth, by harnessing the value of extreme speed.

We believe that our systems will change the standard of living on this planet, creating new products for drilling, tunneling, mining and aerospace.

Thanks for all of your support over the years. You are the personal VCs that are changing the world.

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 update or revise any forward-looking statements. Please review HyperSciences' filings 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 has offered securities under Regulation Crowdfunding and Tier II of Regulation A, and is subject to ongoing 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 and also has a Regulation Crowdfunding offering of securities open for accredited and non-accredited investors.

Notice under Canadian laws

This letter contains forward-looking information and forward-looking statements within the meaning of applicable securities laws. Words such as “expect”, “continue”, “will”, “plan”, and “intend” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on HyperSciences' current projections and expectations about future events and financial trends that management believes might affect its financial condition, results of operations, business strategy and financial needs, and on certain assumptions and analysis made by HyperSciences in light of the experience and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate. These projections, expectations, assumptions and analyses are subject to known and unknown risks, uncertainties, assumptions and other factors that could cause actual results, performance, events and achievements to differ materially from those anticipated in these forward-looking statements. Although HyperSciences believes that the assumptions underlying these forward-looking statements are reasonable, they may prove to be incorrect, and readers cannot be assured that actual results will be consistent with these forward-looking and readers cannot be assured that actual results will be consistent with these forward-looking statements. Actual results could differ materially from those projected in the forward-

looking statements as a result of numerous factors, many of which are beyond HyperSciences' control, including the impact of market conditions, the economic effects of further interest rate hikes in the U.S. and Canada including the effect on investor appetite for growth stocks, among many others and including, but not limited to, risk factors disclosed previously and from time to time in HyperSciences' filings with the U.S. Securities and Exchange Commission.

The forward-looking statements contained in this letter represent HyperSciences' expectations as of the date of this post, or as of the date they are otherwise stated to be made, and subsequent events may cause these expectations to change. HyperSciences undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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