

Q3 2023 Investor Update: HyperTunnel Boring and Mining Phase 1 field trials complete. On Path to Planned Nasdaq Listing to Commercialize HyperBoring!



Figure 1: Phase 1 Tunnel Complete! Major Mining Company Funding Next Phase! (Rendering of Commercial HyperTunnel Boring System)

Business Summary: Phase 1 Complete. Major Mining Company Funding Next Phase. Planning NASDAQ Listing.

HyperSciences completed its High Speed Tunneling Boring and Mining Demo Phase 1 field trials under contract with our world-class major mining partner. Based on compelling results and economics, they have agreed to fund again through May 2024 and then they are budgeting larger funding for additional full-scale mining and tunneling system development and site demos.

Our other partner, a major OEM mining equipment manufacturer is reviewing our latest report and our recent proposal. They are considering their next Phase scope and (as per our current OEM contract) they are considering participating in future funding. We have some additional high speed testing data that is planned for late November as additional information for us and our partners.

We are working on a public offering and planned NASDAQ listing in 2024 with investment bank (Digital Offering) to capitalize on recent successes and put capital

towards commercialization of the HyperCore/HyperBreaker System products to intercept the massive mining market.

Technical:

Our Automated Tunnel Boring Demo Phase 1 is Complete! Literally, tons of hyper-broken rock has been produced during our testing and 100s of repeated shot cycles have been completed with the deployed HyperCore 1-100mm system, consisting primarily of low-cost erodible impactors (concrete) and steel impactors. The deployed HyperCore 1 system demonstrated an autoloading cycle rate of 90 seconds, on path to the target cycle rate of 30 seconds or less. We are nearly at 1-click Hyper Tunnel Boring. Combined with the installed mechanical pointing mechanisms, the HyperCore 1.0 system achieved fully remote operation. The lower bound of performance and cost modeling has been completed for Phase I, suggesting a compelling minimum viable product (MVP) that is 2.5 - 5X faster than drill and blast, at lower cost.

New Video!

Check out our latest HyperBoring summary video [HERE](#).

Finance and Economics

HyperSciences' HyperBreaker™ testing for tunneling and mining is generating R&D cash flow from major mining companies and a Major OEM equipment manufacturer. HyperSciences is using this R&D cash flow coupled with investments and loans to fund the current technical development and corporate operations at approximately \$100,000 per month.

We believe that we have delivered well to our customers in 2023 as we Hyper-focused our efforts specifically on the hard rock underground mining and tunnel boring market. We believe 2024 will be an exceptional year due to the world's increasing demand for strategic minerals driving the need for larger quantities of copper, platinum, lithium, and rare earth elements. These are needed for consumer electronics, electric vehicles, and the energy transition and global electricity-based economy. With prices for these minerals increasing due to limited supply, HyperSciences believes the underground mining addressable portion of the \$2 trillion mining market is valued at tens of billions. HyperBreaker™ offers a faster, safer, and more environmentally responsible alternative to traditional explosive drill and blast methods, allowing for higher volume and higher-grade minerals to reach the surface in less time. The Mobile HyperBreaker™ Tunneling and Mining system is currently undergoing field trials, marking an exciting step towards commercialization.

During the Phase 1 contract period, HyperSciences completed an economic analysis based on test data and new product designs and completed a performance trade study for a family of HyperCore 1.0 and HyperCore 2.0 (which is a HC-1 with added Ram

accelerator) system. These HyperCore systems provide acceleration and direction of compatible impactors (projectiles) to high velocities (800-1500 m/s) for purposes of high production rock breaking. Potential commercial offerings from 60mm bore to 150 mm bore diameters and total hyper-broken cost per tonne financial analysis for a selected set of future commercial systems were explored and are shown in the following image.

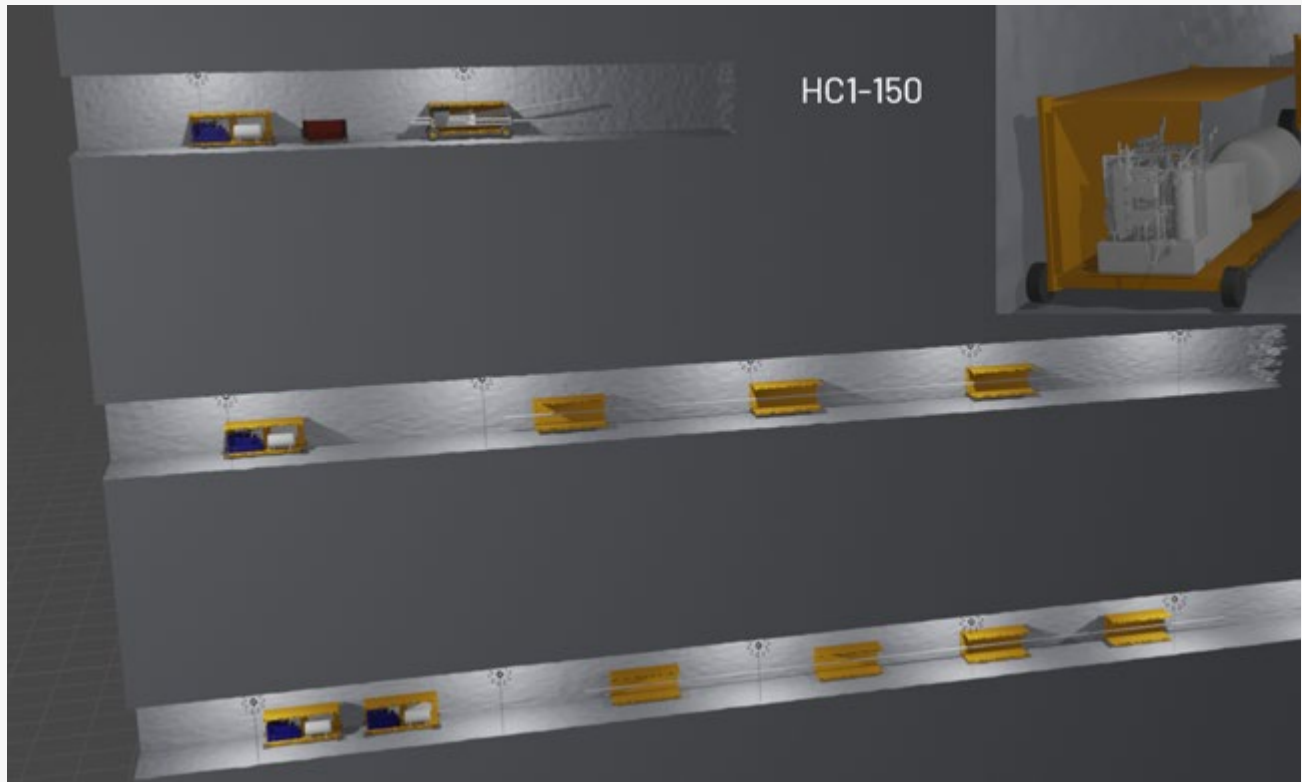


Figure 2) HyperCore 1 and HyperCore 2 (with Ram Accelerator) Product Offering for Phase 2 Commercialization Program

Economic Summary:

As expected, we are faster and lower cost than drill and blast allowing fast access to ore bodies and ore production.

Our performance and cost modeling has been competed in this Phase 1 and the resulting performance estimates articulate a family of MVP (Minimum Viable Product) business cases all with HyperSciences' direct drill and blast explosive process replacement price of \$9-\$15 USD/tonne (with >50% profit margin) at production rates of 2.5X up to 10X rate of production over traditional drill and blast. Our economic models show that the mineral ore value and/or faster access to ore value to customers is (\$30-\$100's per tonne) which is multiples times our proposed initial price, so there should be significant incentive to use our methods in mine tunnel access development and ore production. The HyperCore barrels are being designed to fire 1000s of impactors a day and each HyperCore could generate \$100,000 or more per month in revenue. We believe replacement of a substantial part of the hard rock tunnel boring machines and

drill and blast explosives operations will make an amazing business as well as provide much needed natural resources to a demanding market with low environmental footprint. We are helping major mining and civil tunneling companies to meet their corporate ESG goals for lower environmental discharge and carbon neutral emissions.

Based on the development of the HyperCore 1 units during the phase and the proposed next Phase commercial HTBM (Hyper Tunnel Boring and Mining) we estimate that each of the HyperCore "Barrels" and the associated feed system equated to approximately a \$500k capital cost spend per unit but would generate potentially \$100,000 plus per month during continuous operations in cash flow. Again, our model is a lease and projectile sales model.

In our next phase of development, we are planning needing up to 10 HyperCore units (~\$5M + Capital) and 18-24 months of operational runway at 3-5X current rate (approximately \$10M) therefore we are raising \$15-\$25M in the IPO Round. As discussed in the last quarterly update, keep an eye out for emails/news on our partner company Pipeline2Space launching a Reg CF crowdfund round, expected to kick-off next week.

We look forward to bringing you all more updates on the financing, business development and technical successes in the coming months!

Stay tuned!

All the best,

Mark Russell
CEO, HyperSciences, Inc.



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](#).

The Company is "Testing the Waters" under Regulation A under the Securities Act of 1933. The Company is not under any obligation to make an offering under Regulation A. No money or other consideration is being solicited in connection with the information provided, and if sent in response, will not be accepted. No offer to buy the securities can be accepted and no part of the purchase price can be received until an

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