SUBSCRIPTION AGREEMENT

The undersigned ("**Subscriber**"), on the terms and conditions herein set forth, hereby irrevocable submits this subscription agreement (this "**Subscription Agreement**") to HyperSciences, Inc., a Delaware corporation (the "**Company**"), which is offering for sale, subject to the Transaction Documents, a number of Notes, for up to a maximum of $5,000,000 (subject to any increase by the Company in accordance with this Subscription Agreement, the "**Maximum Offering Amount**" and the final offering amount being the "**Offering Amount**").

The minimum purchase necessary to participate in the offering of Notes made hereunder and pursuant to the Transaction Documents shall be equal to $20,000 (two Notes).

The Notes offered hereunder and pursuant to the Transaction Documents have not been registered with the Securities and Exchange Commission (the "SEC") or any state securities commission and are being offered in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506(c) of Regulation D promulgated thereunder. The Notes are "restricted securities" as defined in the Securities Act and may not be resold unless the Notes are registered under the Securities Act, or an exemption from registration under the Securities Act is available. This Offering is being conducted on a "best efforts" basis.

1.1 Definitions.

"**Common Stock**" means common stock, par value $0.0001.

"**Note**" means the form of 10% convertible promissory note in the principle amount of $10,000 and together with all other such 10% convertible promissory notes executed in connection with the transactions contemplated hereby, the "**Notes**".

"**Transaction Documents**" means the Subscription Booklet, this Subscription Agreement, the Registration Rights Agreement and the Note.

1.2 Subscription for the Purchase of Notes. Subscriber hereby subscribes to purchase _____ Notes (as may be adjusted in accordance with Section 1.5, the "**Subscription Notes**") at $10,000 per Note for a total subscription of $_____ (as may be adjusted in accordance with Section 1.5, the "**Purchase Price**"), which amount Subscriber agrees to immediately pay to the Company in full in accordance with the instructions provided in the Subscription Booklet.

1.3 Offer to Purchase. Subscriber hereby irrevocably offers to purchase the Subscription Notes and tenders herewith, the total price noted above payable to the order of "HyperSciences, Inc.". Subscriber recognizes and agrees that (a) this subscription is irrevocable and, if Subscriber is a natural person, shall survive Subscriber's death, disability or other incapacity, and (b) the Company has complete discretion to accept or to reject this Subscription Agreement in its entirety, either directly or through its agents, and shall have no liability for any rejection of this Subscription Agreement. This Subscription Agreement shall be deemed to be accepted by the Company only when it is executed by the Company. The Company is under no obligation to accept this Subscription Agreement.

1.4 Effect of Acceptance. Subscriber hereby acknowledges and agrees that on the Company's acceptance of this Subscription Agreement, it shall become a binding and fully enforceable agreement between the Company and the Subscriber. As a result, upon acceptance by the Company of this Subscription Agreement, Subscriber will become the record and beneficial holder of the Subscription

Notes, and the Company will be entitled to receive the Purchase Price with respect to the Subscription Notes.

1.5 Closing. The closing of the transactions contemplated hereby (the "**Closing**") shall take place automatically upon the acceptance by the Company of this Subscription Agreement in accordance with Section 1.3; provided, however, that (a) the Company reserves the right to, in its sole discretion, accept this Subscription Agreement subject to any reduction in the number of Subscription Notes the Company determines appropriate (the number of Notes not sold to Subscriber as a result of such reduction, the "**Reduction Number**"), and (b) the Subscriber agrees to purchase the Subscription Notes as may be so reduced in the discretion of the Company, provided that promptly after the Closing the Company must return to Subscriber an amount equal to the Reduction Number *multiplied by* $10,000. If the Closing has not occurred on or before March 31, 2024 (unless otherwise extended at the Company's sole discretion) (as may be extended by the Company in its sole discretion, the "**Final Closing Date**"), then this Subscription Agreement will be deemed rejected by the Company in accordance with Section 1.3 and Company must promptly return to the Subscriber the Purchase Price. The Subscriber shall not be entitled to notice if the Final Closing Date is extended.

2. Representations and Warranties of Subscriber. Subscriber hereby represents and warrants to the Company as follows:

(a) The Subscription Notes (including the Note and the shares of Common Stock to be issued upon conversion of the Notes) are being acquired for Subscriber's own account for investment, with no intention by Subscriber to distribute or sell any portion thereof within the meaning of the Securities Act, and will not be transferred by Subscriber in violation of the Securities Act or the then applicable rules or regulations thereunder. No one other than Subscriber has any interest in or any right to acquire the Subscription Notes (including the shares of Common Stock to be issued upon conversion of the Notes). Subscriber understands and acknowledges that the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Subscription Notes (including the Note, and the shares of Common Stock to be issued upon conversion of the Notes) by anyone but Subscriber.

(b) Subscriber's financial condition is such that Subscriber is able to bear the risk of holding the Subscription Notes that Subscriber may acquire pursuant to this Subscription Agreement, for an indefinite period of time, and the risk of loss of Subscriber's entire investment in the Company. Subscriber is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act

(c) Subscriber has received, has read and understood and is familiar with the Transaction Documents, including the "Risk Factors" attached as Exhibit A hereto.

(d) Subscriber has been furnished with all documents and materials relating to the business, finances and operations of the Company and its subsidiaries and information that Subscriber requested and deemed material to making an informed investment decision regarding its purchase of the Subscription Notes. Subscriber has been afforded the opportunity to review such documents and materials and the information contained therein. Subscriber has been afforded the opportunity to ask questions of the Company and its management. Subscriber understands that such discussions, as well as any written information provided by the Company, were intended to describe the aspects of the Company's business and prospects which the Company believes to be material, but were not necessarily a thorough or exhaustive description, and except as expressly set forth in this Subscription Agreement, the Company makes no representation or warranty with respect to the completeness of such information and makes no representation or warranty of any kind with respect to any information provided by any entity other than the Company. Some of such information may include projections as to the future performance

of the Company, which projections may not be realized, may be based on assumptions which may not be correct and may be subject to numerous factors beyond the Company's control. Additionally, Subscriber understands and represents that it is purchasing the Subscription Notes notwithstanding the fact that the Company may disclose in the future certain material information that the Subscriber has not received, including the financial results of the Company for its current fiscal quarters. Neither such inquiries nor any other due diligence investigations conducted by such Subscriber shall modify, amend or affect such Subscriber's right to rely on the Company's representations and warranties, if any, contained in this Subscription Agreement. Subscriber has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its investment in the Subscription Notes.

(e) No representations or warranties have been made to Subscriber by the Company, or any representative of the Company, or any securities broker/dealer, other than as set forth in the this Subscription Agreement.

(f) Subscriber has investigated the acquisition of the Subscription Notes to the extent Subscriber deemed necessary or desirable and the Company has provided Subscriber with any reasonable assistance Subscriber has requested in connection therewith.

(g) Subscriber, either personally, or together with its advisors (other than any securities broker/dealers who may receive compensation from the sale of any of the Subscription Notes), has such knowledge and experience in financial and business matters that Subscriber is capable of evaluating the merits and risks of purchasing the Subscription Notes and of making an informed investment decision with respect thereto.

(h) Subscriber is aware that Subscriber's rights to transfer the Subscription Notes (including the Note and the shares of Common Stock to be issued upon conversion of the Notes) is restricted by the Securities Act and applicable state securities laws, and Subscriber will not offer for sale, sell or otherwise transfer Subscription Notes (including the Note and the shares of Common Stock to be issued upon conversion of the Notes) without registration under the Securities Act and qualification under the securities laws of all applicable states, unless such sale would be exempt therefrom.

(i) Subscriber understands and agrees that the Subscription Notes (including the Note and the shares of Common Stock to be issued upon conversion of the Notes) have not been registered under the Securities Act or any state securities act in reliance on exemptions therefrom and that the Company has no obligation to register any of the Subscription Notes (including the Note and the shares of Common Stock to be issued upon conversion of the Notes).

(j) The Subscriber has had an opportunity to ask questions of, and receive answers from, representatives of the Company concerning the terms and conditions of this investment and all such questions have been answered to the full satisfaction of the undersigned. Subscriber understands that no person other than the Company has been authorized to make any representation and if made, such representation may not be relied on unless it is made in writing and signed by the Company. The Company has not, however, rendered any investment advice to the undersigned with respect to the suitability of the Subscription Notes or an investment in the Company for the Subscriber or any other party.

(k) Subscriber understands that the certificates or other instruments representing the Subscription Notes, as well as the common stock issuable thereby upon the conversion of the Notes shall bear a restrictive legend in substantially the following form (and a stop transfer order may be placed against transfer of such stock certificates and common share purchase certificates, if any):

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO ANY EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER AND UNDER APPLICABLE STATE LAW, THE AVAILABILITY OF WHICH MUST BE ESTABLISHED TO THE SATISFACTION OF THE COMPANY.

(l) Subscriber also acknowledges and agrees to the following:

(i) An investment in the Subscription Notes is highly speculative and involves a high degree of risk of loss of the entire investment in the Company; and

(ii) There is no assurance that a public market for the Subscription Notes (including the Note and the shares of Common Stock to be issued upon conversion of the Notes) will be available and that, as a result, Subscriber may not be able to liquidate Subscriber's investment in the Subscription Notes should a need arise to do so.

(iii) The Company will pay registered broker-dealers commissions of up to 7% of the gross proceeds received by the Company in the Offering.

(m) Subscriber is not dependent for liquidity on any of the amounts Subscriber is investing in the Subscription Notes.

(n) Subscriber's address set forth below is its correct residence address.

(o) Subscriber has full power and authority to make the representations referred to herein, to purchase the Subscription Notes and to execute and deliver this Subscription Agreement.

(p) Subscriber understands that the foregoing representations and warranties are to be relied upon by the Company as a basis for the exemptions from registration and qualification of the sale of the Subscription Notes under the federal and state securities laws and for other purposes.

(q) Subscriber consents to the electronic delivery of the documents and that by accepting delivery of the Subscription Agreement and Memorandum and by subscribing hereto the Subscriber accepts the terms and conditions contained herein and in the Memorandum.

(r) Disqualification Events. No "bad actor" disqualification event is applicable to the Subscriber or, to the Subscriber's knowledge, any person, with respect to such Subscriber as an "issuer" for purposes of Rule 506 promulgated under the Securities Act, listed in the first paragraph of Rule 506(d)(1), except for a disqualification event as to which Rule 506(d)(2)(ii–iv) or (d)(3), is applicable.

(s) No General Solicitation. Neither the Subscriber, nor any of its officers, directors, members, managers, employees, agents, stockholders or partners has either directly or indirectly, including, through a broker or finder (i) engaged in any general solicitation, or (ii) published any advertisement in connection with the offer and sale of the Notes.

(t) The Subscriber hereby agrees that, in connection with an initial public offering of Common Stock by the Company, including without limitation a public offering of securities pursuant to Regulation A promulgated under the Securities Act, resulting in gross proceeds to the Company of $5

million or more (a "Qualified IPO"), unless not required by the managing underwriter or lead placement or selling agent of the Qualified IPO, it will enter into a lock-up agreement in customary form and subject to customary exceptions pursuant to which such Subscriber will agree that it will not, during the period commencing on the date of the final prospectus or offering circular relating to a Qualified IPO and ending on the date specified by the managing underwriter or lead placement or selling agent, not to exceed one hundred and eighty (180) days from the date of the final prospectus or offering circular relating to the Qualified IPO: (a) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock held immediately prior to the effectiveness of the registration statement or qualification of the offering circular for the Qualified IPO; or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the capital stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of capital stock or other securities, in cash or otherwise. The foregoing provisions of this Paragraph 2(t) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement. The underwriters, placement agents and selling agents, if any, in connection with the Qualified IPO are intended third-party beneficiaries of this Paragraph 2(t) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Subscriber agrees to execute such agreements as may be reasonably requested by the underwriters, placement agents or selling agents in the Qualified IPO that are consistent with this Paragraph 2(t) or that are necessary to give further effect thereto, provided, however, that the obligation of each Subscriber hereunder shall be conditioned on each officer, director and 5% beneficial holder of the Company's Common Stock also agreeing to be similarly obligated.

The foregoing representations and warranties are true and accurate as of the date hereof and shall survive such date. If any of the above representations and warranties shall cease to be true and accurate prior to the acceptance of this Subscription Agreement, Subscriber shall give prompt notice of such fact to the Company by facsimile or e-mail specifying which representations and warranties are not true and accurate and the reasons therefor.

3. The Company's Representations and Warranties.

The Company hereby represents and warrants to each of the undersigned, as follows:

(a) The Company has the corporate power and authority to execute and deliver this Subscription Agreement and to perform its obligations hereunder. This Subscription Agreement has been duly authorized, executed and delivered by the Company and is valid, binding and enforceable against the Company in accordance with its terms.

(b) The Subscription Notes, when issued and delivered in accordance with the terms of this Subscription Agreement, will be duly and validly issued and will be fully paid and non-assessable.

(c) The shares of Common Stock to be issued upon conversion of the Notes to be issued to the undersigned pursuant to this Agreement, when issued and delivered in accordance with this Subscription Agreement and the Notes will upon receipt by the Company of the applicable exercise price therefor, be validly issued and fully paid and non-assessable.

(d) Neither the execution and delivery nor the performance of this Subscription Agreement by the Company will conflict with the Company's Certificate of Incorporation or Bylaws, in each case, as amended to date, or result in a breach of any terms or provisions of, or constitute a default under, any material contract, agreement or instrument to which the Company is a party or by which the Company is bound.

(e) The Company is currently in compliance, and has in the past complied, with all provisions of federal, state and other statutes, rules, regulations or laws applicable to the Company, except for any such violations which, individually or in the aggregate, would not have a material adverse effect. The execution, delivery and performance of the Subscription Agreement and the consummation of the transactions contemplated by the Transaction Documents will not result in any violation of any provision of federal, state or other statute, rule, regulation or law applicable to the Company.

4. Indemnification. Subscriber acknowledges that Subscriber understands the meaning and legal consequences of the representations and warranties made by Subscriber herein, and that the Company is relying on such representations and warranties and covenants in making the determination to accept or reject this Subscription Agreement. Subscriber hereby agrees to indemnify and hold harmless the Company and each employee and agent thereof from and against any and all losses, damages or liabilities due to or arising out of a breach of any representation or warranty or covenant of Subscriber contained in this Subscription Agreement.

5. Transferability. Subscriber agrees not to transfer or assign this Subscription Agreement, or any interest herein, and further agrees that the assignment and transferability of the Subscription Notes (including the Note and the shares of Common Stock to be issued upon conversion of the Notes) shall be made only in accordance with applicable federal and state securities laws.

6. Termination of Agreement; Return of Funds. In the event that, for any reason, this Subscription Agreement is rejected in its entirety by the Company, this Subscription Agreement shall be null and void and of no further force and effect, and no party shall have any rights against any other party hereunder. In the event that the Company rejects this Subscription Agreement, the Company shall promptly return or cause to be returned to Subscriber any money tendered hereunder without interest or deduction.

7. Notices. All notices or other communications given or made hereunder shall be in writing and shall be delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, or delivered by, facsimile or e-mail to Subscriber and Company at the address set forth below, or at such other place as the Company may designate by written notice to Subscriber.

8. Amendments. Neither this Subscription Agreement nor any term hereof may be changed, waived, discharged or terminated except in a writing signed by Subscriber and the Company.

9. Governing Law; Venue for Dispute Resolution. THIS AGREEMENT SHALL BE ENFORCED, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW.

THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE STATE OF DELAWARE OR UNITED STATES FEDERAL COURTS LOCATED IN DELAWARE WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS NOTE. THE PARTIES IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT OR PROCEEDING. THE PARTIES FURTHER AGREE THAT SERVICE OF PROCESS UPON THEM MAILED BY FIRST CLASS MAIL SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE PARTIES IN ANY SUCH SUIT OR PROCEEDING. NOTHING HEREIN SHALL AFFECT THE PARTIES' RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. THE PARTIES AGREE THAT A FINAL NON-APPEALABLE JUDGMENT IN ANY SUCH SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE

ENFORCED IN OTHER JURISDICTIONS BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER LAWFUL MANNER.

THE PARTIES HEREBY IRREVOCABLY WAIVE ANY RIGHT THEY MAY HAVE, AND AGREE NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT.

10. Headings. The headings in this Subscription Agreement are for convenience of reference, and shall not by themselves determine the meaning of this Subscription Agreement or of any part hereof.

11. Signature Page. It is hereby agreed that the execution by a Subscriber of this Subscription Agreement, in the place set forth herein, will constitute agreement to be bound by the terms and conditions hereof. It is hereby further agreed by the Subscriber that the execution by the Subscriber of this Subscription Agreement, in the place set forth herein, will be deemed and constitute the agreement by the Subscriber to be bound by all of the terms and conditions of the Transaction Documents and will be deemed and constitute the execution by the Subscriber of all such documents without requiring the Subscriber's separate signature on any of such documents. Further, such signature will constitute the Subscriber's agreement that the information contained in the Subscription Agreement is complete and accurate.

INDIVIDUALS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Dated: _____, 2024

Signature(s): _____

_____

Name (Please Print): _____

Residence Address: _____

_____

Phone Number: (_____) _____-_____

Cellular Number: (_____) _____-_____

Social Security Number: _____

Email address: _____@_____

ACCEPTANCE

HyperSciences, Inc.
(a Delaware corporation)

Date: _____, 2024

By: _____

Name: _____

Title: _____

Email Address: admin@hypersciences.com

Address: 2311 E Main Ave, Suite 200
Spokane, WA 99202

CORPORATIONS, PARTNERSHIPS, TRUSTS OR OTHER ENTITIES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

Dated: _____, 2024

Name of Purchaser (Please Print): _____

By: _____

Name (Please Print): _____

Title: _____

Address: _____

_____

Phone Number: (_____) _____-_____

Cellular Number: (_____) _____-_____

Taxpayer ID Number: _____

Email address: _____@_____

ACCEPTANCE

HyperSciences, Inc.
(a Delaware corporation)

Date: _____, 2024

By: _____

Name: _____

Title: _____

Email Address: admin@hypersciences.com

Address: 2311 E Main Ave, Suite 200
Spokane, WA 99202

EXHIBIT A

RISK FACTORS

An investment in the securities offered hereby is speculative in nature, involves a high degree of risk and should not be made by any investor who cannot afford the loss of his entire investment. Each prospective investor should carefully consider the following risks and speculative factors associated with this offering, before making any investments. The risks set out below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. If any of the following events occur, our business, financial condition and results of operations could be materially adversely affected. In such case, the value of our securities could decline, and you may lose all or part of your investment.

Uncertain Risk

An investment in the Company involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any Notes should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors,. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

Our business projections are only projections.

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it's a better option than a competing product, or that we will able to provide the service at a level that allows the Company to make a profit and still attract business.

Voting Rights; Minority Holder

There are no voting rights attached to the Notes. Once the Notes convert, the shares received thereon (the "**Conversion Shares**") will have voting rights attached. However, holders of Conversion Shares are part of the minority stockholders of the Company and will have limited ability to influence Company decisions. Furthermore, in the event of a liquidation of the company, holders of Conversion Shares will only be paid out if there is any cash remaining after all of the creditors and holders of preferred stock of the company have been paid out.

Going Concern Opinion

The report of our independent auditors contains an explanatory paragraph as to our ability to continue as a going concern, as it has done since its first audit and is typical of companies at this stage of development, which could prevent us from obtaining new financing on reasonable terms or at all.

The Company has only a limited operating history and has a history of losses. We may never achieve or maintain profitability.

The Company was formed as a Delaware corporation on October 13, 2014, and has received revenue relating only to the Company's contracts with Shell Oil and other joint industry project partners. We expect to incur operating losses until our technology trials have concluded and contracts are signed with customers. Although we believe there is reason to be optimistic, there can be no assurance that we will be able to validate or market our technology, products and/or systems in the future such that additional revenues will be generated or that any revenues generated will be sufficient for us to become profitable or thereafter maintain profitability. We will only be able to pay dividends on any shares, including, without limitation, the Conversion Shares, once our directors determine that we are financially able to do so. The Company has incurred a net loss in the last two fiscal years and has had limited revenues generated since inception. There is no assurance that we will be profitable in the next three years or generate sufficient revenues to pay dividends to the holders of any shares.

The Company needs capital to achieve its technology development and business goals.

We expect that our current capital and our other existing resources will be sufficient only to provide a limited amount of working capital, and revenues generated from sales, of which there is no assurance, may not be sufficient to fund our continuing operations and/or our planned growth. We will require significant amounts of capital to support our research and development efforts. If we are unable to secure capital to fund our operations, we will not be able to continue our testing and development efforts and we might have to enter into collaborations that could require us to share some rights to our product candidates. We expect we may require additional capital after the offering. Management has the choice to seek many forms of financings, and may choose to seek to sell additional equity or debt securities, or both, or incur other indebtedness. The incurrence of indebtedness could result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing research, development and commercialization efforts. This could harm our business, prospects and financial condition. Any additional capital raised through the sale of equity (or convertible debt securities) will dilute the ownership percentage of our stockholders. This could also result in a decrease in the fair market value of our equity securities because our assets would be owned by a larger pool of stockholders. The terms of securities we issue in future capital transactions may be more favorable to our new investors, and may include preferences, superior voting rights and the issuance of other derivative securities, and issuances of incentive awards under equity employee incentive plans, which may have a further dilutive effect.

The Company is reliant on the successful development of its own proprietary technology and products.

The Company is in the process of developing its own proprietary technology and products. The success of developing new technology and products depends on a number of factors including, but not limited to, timely and successful product development, market acceptance, the Company's ability to manage the risks associated with new product production ramp-up issues, and the risk that new products may have quality or other defects or deficiencies in the early stages of introduction. The development of methods for the use of HyperCore™ and other Company technologies is highly innovative and may involve very complex processes. This level of innovation involves potentially significant expense and carries inherent risk, including difficulties in designing next-generation technologies and processes, potential development and production delays, safety concerns, and increased expenses. Our inability to effectively and timely develop our proprietary technologies and products and to develop the necessary quality controls and production capacity for our technology and products would have a material adverse effect on our business.

Some technologies are relatively new and unproven.

Some of the Company's technologies and planned products are relatively new and unproven such that the use of these technologies may not produce the expected or intended results, and unforeseen results could occur.

The nature and scope of our products and services will be evolving in response to customer input and marketplace demand. The Company's business model is therefore subject to change.

Our future success will depend on our ability to (i) develop and deploy our products and services; (ii) attract customers to use our products and services; (iii) enhance our products and services; (iv) develop and license new products and systems that address the increasingly sophisticated and varied needs of our customers; and (v) respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Failure to develop products and services that serve our target markets or failure to adjust to changes within our marketplace could have a material adverse effect on our business, results of operations and financial condition.

The Company relies on intellectual property rights it has licensed and additional intellectual property it has developed. The Company may be unable to protect its proprietary technologies or defend its intellectual property rights and may be subject to claims that its products, or the way in which it conducts its business, infringes the intellectual property rights of third parties.

We believe that our success will depend in large part upon proprietary technologies and intellectual property protections. We intend to rely on a combination of patents, trademarks, trade secret laws and contractual obligations with employees and third parties to obtain and protect our proprietary technologies and intellectual property. The steps we have taken to protect our rights may not be adequate to deter misappropriation of our proprietary information. We also may not be able to detect unauthorized use of and take appropriate steps to enforce our intellectual property rights. In addition, the laws of some foreign countries may not protect our proprietary rights as fully or in the same manner as do the laws of the United States. Also, despite the steps taken by us to protect our proprietary rights, others may develop technologies similar or superior to our technologies and/or design around the proprietary rights we own. It is possible that our license agreements could be terminated, which could limit or prevent the Company's practice and/or commercialization of some or all of our intellectual property. It is possible that our activities, products and services could infringe certain third-party intellectual property rights that we are currently unaware of, which could open the Company up to potential civil liability. If we are unable to successfully enforce our intellectual property rights, or if claims are successfully brought against us for infringing the intellectual property rights of others, such events could cause us to pay substantial damages, spend significant sums in litigation, cause us to lose a key competitive advantage, force us to conduct additional research to develop non-infringing technology, or cause us to pursue a different business strategy.

Certain intellectual property rights of the Company may be abandoned or otherwise compromised if the Company does not obtain additional capital.

The Company may be forced to allow certain deadlines relating to its patent portfolio to pass without taking any action because it lacks sufficient funds to pay for the required actions.

Competitive technologies could limit our ability to successfully deploy our technologies.

Existing technologies or new technologies that are subsequently developed and released, may render the Company's technologies obsolete or prevent adoption in the relevant industries. Such competition could adversely affect our business and market share.

Certain uses of the Company's product offerings may be subject to regulation by the Environmental Protection Agency and other federal and state governmental authorities.

Just as with existing tunneling, mining, energy drilling and flight industries, regulations or other restrictions may be adopted that adversely affect our business and market share. Federal, state and local authorities may regulate the use of our product offerings, including, but not limited to, any effects on the following matters: surface subsidence from underground mining; employee health and safety; permits and other licensing requirements; remediation of contaminated soil, surface water and groundwater; air emissions; water quality standards; the discharge of materials into the environment, including waste water; storage, treatment and disposal of petroleum products and substances which are regarded as hazardous under applicable laws or which, if spilled, could reach waterways or wetlands; protection of human health, plant life and wildlife, including endangered and threatened species; reclamation and restoration of mining properties after mining is completed; wetlands protection; and the effects, if any, that use of our products has on groundwater quality and availability. Some contemplated implementations of our technology may be subject to regulation by the United States Department of Commerce and Department of State. If future implementations of our technology require an export license or additional government approval for export, we intend to pursue such licenses and approvals from applicable government authorities.

Existing agreements impose restrictions and requirements that may limit the Company's ability to exploit and commercialize its intellectual property.

The Exclusive Patent License Agreement between the Company and University of Washington dated March 13, 2015, (the "**UW License Agreement**") only grants rights to HyperSciences in relation to activities and products under 100km MSL (the "**Von Karmen Line**" at 100km is utilized as one international definition of outer space). University of Washington ("**UW**"), pursuant to the UW License Agreement, may (1) terminate the license grant upon the occurrence of a breach by the Company; (2) pursue patents covering the "baffle-tube ram accelerator technology" included in the UW License Agreement that would be owned by UW and outside the license grant to the Company in any country in which the Company chooses not to actively pursue patent protection for such inventions; and (3) require mandatory sublicensing in fields of use that Company is not actively pursuing if UW is solicited by a third party who wishes to license the "Licensed Patents". The Company also must comply with performance milestones relating to commercialization of the "Licensed Patents", is required to submit periodic commercialization reports, and must pay certain annual, milestone and royalty fees to UW. UW also obtained 25,000 shares of Common Stock in the Company and 4,523 additional shares of Common Stock pursuant to certain anti-dilution rights in the UW License Agreement. On April 15, 2022, the Company and the University of Washington amended the Agreement and extended the due dates for the performance milestones as well as including eleven additional patents to be licensed, for a cost of $45,000. The Cooperative Research Agreement with Shell International Exploration and Production, Inc. dated October 24, 2014, as amended, (the "**Shell Agreement**") imposes potential most-favored-customer obligations, potential future royalty obligations, and a contingent limited license grant to fulfill its product needs in the event the Company cannot deliver such products on a timely basis.

Mark Russell may have other time demands relating to EnergeticX.net, L.L.C. and Pipeline2Space, Inc.

EnergeticX.net, L.L.C. (and its majority-owned company, Pipeline2Space, Inc.) has entered into a license agreement with the University of Washington for the same patent assets as those covered in the

HyperSciences UW License Agreement, but the EnergeticX license grants rights for applications above 100km MSL (i.e. spaceflight applications). In order to maintain its license with UW, EnergeticX must perform certain activities relating to commercialization of the technology (the "**Required EnergeticX Activities**"). In 2017, the Board of Directors (including a disinterested director) approved for Mark Russell to be engaged in the Required EnergeticX Activities, which may limit the amount of time he devotes to the Company.

Changes to the global technology environment may negatively impact our business and our profitability.

Our products and services are intended to make conventional drilling and tunneling faster and more cost effective. We expect the industry and market to continue to change significantly in the future. Demand for oil, gas, and mineral products and the cost of those products may cause the customers that we target to reduce the demand for our products and services or the price they are willing to pay for our products and services.

New, well-funded competitors are entering the market, which may adversely affect our business.

Technology solutions and theories applicable to drilling, tunneling, mining and hypervelocity travel have recently seen increased media coverage. For instance, the Boring Company is a private company, which is, we believe, substantially owned by billionaire Elon Musk, has engaged in significant advertising efforts and may achieve commercial success. Elon Musk is a successful entrepreneur with a history of disrupting the online payment, automobile, and space launch markets. Future competitive technologies developed by The Boring Company and other companies such as Boeing Company or Lockheed Martin Global, Inc., for instance, could seriously harm our business and have a material adverse effect on our business, results of operations, and financial conditions.

We may face intense competition in our industry from companies with a more established reputation and greater financial resources than us.

The oilfield services industry as well as the other industries in which we compete or plan to compete, are highly competitive, and most of our potential competitors have greater financial resources than we do. Many of our potential competitors have been in business for many years and have well-established business contacts with companies that may be target customers of the Company. Competitors may enter markets served or proposed to be served by us, and we may not be able to compete successfully against such companies or have adequate funds to compete effectively.

Risks generally associated with our technology may adversely affect our business and results of operations.

Our products could experience future system failures and degradations. We may not be able to prevent an extended system failure due to a variety of events, including, but not limited to, human error; subsystem, component, or software failure; a power or telecommunications failure; an earthquake, fire, or other natural disaster or other act of God; hacker attacks or other intentional acts of vandalism; or acts of war. Any technology or communications system failure that interrupts our operations could seriously harm our business and have a material adverse effect on our business, results of operations, and financial condition.

The Company's technology and business plans may involve safety risks.

Firing projectiles at high velocities to break rocks as with similar explosive energy in mining, drilling and blasting technologies, may involve a significant potential risk to the safety of humans and property. In the event of a system malfunction, or even in the course of the normal use of a ram accelerator,

catastrophic events are possible. Therefore, risk of significant liability for the Company is possible. In order to protect against such potential liability, the Company has processes and safety systems engineered into its designs and also will likely continue to purchase liability insurance, which is and could be continually costly to the Company or may not be available. Insufficient insurance coverage or major catastrophic events could expose the Company to enough liability to negatively affect the Company's business operations or could possibly render the Company insolvent.

We are currently dependent on a few key personnel.

Our success depends, to a large degree, on our ability to retain the services of our executive management team, whose industry knowledge and leadership would be difficult to replace. While members of our executive management team are stockholders of the Company (in the case of Mark and Charles Russell, through EnergeticX as well as individually), and thus have an incentive to help the Company succeed, we cannot legally require any of these individuals to continue working for us and cannot assure investors that we will continue to enjoy the benefit of their services. We might not be able to execute on our business model if we were to lose the services of any of our key personnel. If any of these individuals were to leave the Company unexpectedly, we could face substantial difficulty in hiring qualified successors and could experience a loss in productivity while any such successor develops the necessary training and experience. Competition for hiring engineers, sales and marketing personnel and other qualified personnel may result in a shortfall in recruiting and competition for qualified individuals could require us to pay higher salaries, which could result in higher labor costs. If we are unable to recruit and retain a sufficient number of qualified individuals, or if the individuals we employ do not meet our standards and expectations, we may not be able to successfully execute on our business strategy and our operations and revenues could be adversely affected.

We have not commissioned a formal market study to assess the demand for our products and services.

We have not requisitioned a formal marketing study by an independent marketing organization to evaluate the demand for our anticipated products and services. Our assessment of the demand for our anticipated products is based on the experience of our executives, discussions with potential customers and our general knowledge of the marketplace. Our assessment may not be accurate and there may not be sufficient demand for our anticipated products and services.

Some investors have additional rights and receive additional benefits.

"Major Investors" of the Company are those that, in previous financings, together with such investor's affiliates holds shares of preferred stock of the Company with an original issue price (as defined in the Amended and Restated Certificate of Incorporation of the Company) of no less than $50,000. Subject to the terms of the Amended and Restated Investors' Rights Agreement between the Company, the investors, and key holders named therein, Major Investors have the right to participate pro rata in certain future offerings of securities by the Company and will have certain information and inspection rights. For the avoidance of doubt, investors in this offering cannot become Major Investors and will not be able to obtain the rights described above by purchasing $50,000 or more in Notes.

Certain Stockholders of the Company are subject to contractual commitments to vote for or against certain corporate actions.

Holders of preferred stock of the Company and certain key holders of the Company's common stock are subject to contractual commitments to vote for or against certain corporate actions, including, without limitation, a drag-along provision related to the sale of the Company and the election of directors. This may result in investors being forced to cash out their Notes or sell their Conversion Shares in that

transaction regardless of whether they believe the transaction is the best or highest value for their Notes or Conversion Shares, and regardless of whether they believe the transaction is in their best interests.

We have broad discretion in the use of the net proceeds from the offering and may not use them effectively.

While we anticipate using the net proceeds from the offering as operating capital until the Company conducts a public offering, we cannot specify with certainty the particular uses of the net proceeds offering. Our management has broad discretion in the application of the net proceeds. Holders of the Notes may not agree with the manner in which our management chooses to allocate and spend the net proceeds. The failure by our management to apply these funds effectively could have a material adverse effect on our business or delay the development or commercialization of our product candidates. Pending their use, we may invest the net proceeds from the offering of the Notes in a manner that does not produce income or that loses value.

We may need to raise additional capital, which might not be available or might be available only on terms unfavorable to us or our investors.

We may need to raise additional capital through private equity or debt in the near future. If we were to raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders, including, without limitation, holders of Conversion Shares, would be reduced, and these newly issued securities might have rights, preferences or privileges senior to those of our then-existing stockholders. For example, in order to raise equity financing, we may decide to sell additional shares of stock in the Company at a discount. We might not be able to raise additional capital on terms favorable to us, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to fund our operations, pursue growth opportunities or respond to competitive pressures. Such inability could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to proceed with all opportunities available to us and some opportunities might be available only on terms unfavorable to us or our investors.

We may be presented with opportunities to pursue joint development projects, joint ventures, sponsored development agreements, government contracts, and other options for supporting continued development and commercialization of our technologies. We have entered, and may continue to enter, into non-binding memoranda of understanding and letters of intent to pursue certain opportunities. However, there is no guarantee that we will be able to enter into definitive agreements or that the opportunities will otherwise materialize in a way that would benefit the Company.

There is no certainty that you will receive a return of or on your investment.

The Company may be unsuccessful at developing its products and services and generating revenue with its current business model. If the Company is not successful at implementing its business model, purchasers of the Notes will not realize a return of or on their investment. As a result of the uncertainty and risks associated with the Company's operations, investors may lose their entire investment in the Notes.

Voting Control is in the hands of a few large stockholders.

Voting control is concentrated in the hands of a small number of stockholders. For the avoidance of doubt, investors in the Notes will be subject to the decisions of that small number of stockholders with

respect to all material corporate actions, including, without limitation, the election of directors, changes to the Company's governance documents, expanding the employee option pool, and any merger, consolidation, sale of all or substantially all of the Company's assets, or other major action requiring stockholder approval.

The Russell family comprises half of the Board of Directors.

There are four directors of the Company, Mark Russell, Charles Russell, Stephanie Koster, and Mike McSherry. Mark Russell and Charles Russell are brothers.

Forum Selection clauses in the Transaction Agreements may lead to inconvenience or cost to you.

The (i) Subscription Agreement, (ii) Subscription Booklet, (iii) Notes, and (iv) Registration Rights Agreement (collectively, the "**Transaction Agreements**") have forum selection provisions. These provisions require all disputes arising out of or based upon the Transaction Agreements to be resolved in a court located in Delaware regardless of convenience or cost to you, the investor.

The Forum Selection clause in the Amended and Restated Bylaws may lead to inconvenience or cost to you.

Unless the Company consents in writing to the selection of an alternative forum, and regardless of convenience or cost to you, the investor, the Amended and Restated Bylaws of the Company state that the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action, (ii) any action asserting a claim of breach of fiduciary duty, (iii) any action asserting a claim against the Company, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Company's Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws or (iv) any action asserting a claim against the Company, its directors, officers or employees governed by the internal affairs doctrine.

We will need to develop or acquire additional manufacturing and distribution capabilities in order to commercialize any product, and we may encounter unexpected costs and other difficulties in doing so.

If we independently develop and commercialize one or more of our products, we will need to invest in acquiring or building additional capabilities and effectively manage our operations and facilities to successfully pursue and complete future research, development and commercialization efforts. This development process may be expensive and time-consuming, and could be highly dilutive to existing stockholders, even if adequate financing could be obtained. We will require additional personnel with experience in commercial-scale manufacturing, managing of large-scale information technology systems and managing a large-scale distribution system. We will need to add personnel and expand our capabilities, which may strain our existing managerial, operational, regulatory compliance, financial and other resources. To do this effectively, we must: recruit, hire, train, manage, and motivate a growing employee base; accurately forecast demand for our products; assemble and manage the supply chain to ensure our ability to meet demand; and expand existing operational, manufacturing, financial, and management information systems. Should we not complete the development of adequate capabilities, including manufacturing capacity, our ability to manufacture a commercial supply of our products could be delayed, which would further delay our ability to generate revenues. We may choose to outsource all or a portion of our manufacturing requirements to one or more third-party contract manufacturing companies. Under an agreement with such a manufacturing company, we would have less control over the timing and quality of manufacturing than if we were to perform such manufacturing ourselves. There is also no guarantee that any such manufacturing company will continue ongoing operations, which could

cause delays in product supply, reduced revenues and other liabilities for the Company. Any such events would increase our costs and could delay or prevent our ability to commercialize our products, which could adversely impact our business, financial condition, and results of operations.

Outstanding Notes

On January 11, 2021, the Company entered into that certain Amendment to the Note Purchase Agreement and Convertible Promissory Notes by and between the Company and the noteholders that are party thereto (the "**Prior Noteholders**"), whereby the Prior Noteholders (i) agreed to allow certain outstanding notes to be sold to a third party; (ii) agreed to negotiate and convert certain outstanding amounts of the notes to Series A Preferred Stock in the Company; and (iii) agreed to not declare remaining notes in default prior to November 1, 2021. In exchange for the foregoing, Company will accrue interest per the following: November 1, 2020 to April 30, 2021 will bear an interest rate of 12%; May 1, 2021 to July 31, 2021 will bear an interest rate of 14%; August 1, 2021 to October 31, 2021 will be an interest rate of 16%; and anything from November 1, 2021 and after will bear an interest rate of 16% with 2% increases every additional 3 months. To date, the notes have not been declared by the Prior Noteholders to be in default and the effective interest rate as of December 31, 2023 was 34%.

The Company may provide additional or different information to investors in one or more subsequent offerings.

The Company may conduct offerings subsequent to this offering to meet its capital needs. In connection with future offerings, the Company will provide updated disclosures regarding its operations and financial status. These disclosures will be informed by a longer track record in which the Company may have additional information regarding the competitiveness and marketability of its products within their relevant industries. Accordingly, information provided to future investors may provide those investors with a better opportunity to evaluate the advisability of investing in the Company.

While the Company has some contracts, the Company is spending significant time and resources with no contractual commitment from our potential customers.

Although we have revenue generating contracts with some customers, we are incurring ongoing costs and expenses in relation to the ongoing development and testing of our technologies and products, and as of September 30, 2023, the Company has obtained no binding commitments to purchase its products or enter into a royalty-bearing license with respect to its technologies.

Absence of public market.

There is no formal public market for any capital stock of the Company (the "Capital Stock") and no such market can be expected to develop in the future. The Capital Stock has not been registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except in accordance with all applicable securities laws and the terms of the investment documents pursuant to which the Capital Stock are being offered. Sales by affiliates of the issuer, as that term is defined under the regulations of the Securities and Exchange Commission, are subject to additional restrictions. Purchasers of Capital Stock must be prepared to bear the economic risk of an investment for an indefinite period of time since Capital Stock cannot be sold unless it is subsequently registered or an exemption from registration is available. Although the Company is actively exploring all funding options, including an initial public offering, the Company cannot guarantee that it will register any Capital Stock in the short term.

Ability to transfer Notes and Conversion Shares is limited.

Notes and Conversion Shares are subject to transfer requirements and restrictions. These requirements may delay or limit investors ability to transfer Notes or Conversion Shares and delay or limit the ability of the third-party transferee to transfer their Notes or Conversion Shares in the future, or may require you and third party transferees to incur additional costs to effectuate a transfer. Further, transferees will be required to sign onto the same agreements as other investors in this offering and will also be subject to the restrictions in those agreements. Accordingly, the market price for the Notes and Conversion Shares could be adversely affected.

The Company has not obtained a recent independent valuation of all Shares.

The Board of Directors has previously granted stock and stock options pursuant to its 2015 Equity Incentive Plan after obtaining an independent 409A valuation, with the most recent grant of stock options occurring on September 20, 2023, at a Board of Directors-determined fair market value price of $3.10 per share for the Company's common stock.

Macroeconomic Trends Affecting Startups.

Increase in interest rates and the recent collapse of Silicon Valley Bank has negatively affected the startup funding ecosystem by decreasing the amount of capital available for debt funding of startups by established institutions as well as capital available for late-stage startups from venture capital firms. This could have a negative effect on the Company's ability to attract outside funding needed for operations and continued research and development activities.

There are other unidentified risks.

The risks set forth above are not a complete list of the potential risks facing us. We realize that there may exist significant risks yet to be recognized or encountered to which we may not be able to effectively respond. There can be no assurance that we will be successful in addressing these risks or future potential risks, and any failure to do so could have a material adverse effect on our business, financial condition, and results of operations.

We rely on third parties to provide services essential to the success of our business.

We rely on third parties to provide a variety of essential business functions for us, including manufacturing, accounting, legal work, public relations, and advertising. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these key operations could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.