

HyperSciences' Q4 2023 Investor Update



Tour the World's First Hyper-Bored Tunnel: Project REAM Video

Hyper-Boring Next Phase Kicked-Off with Major Mining Co



Figure 1: The World's first Hypersonic-Bored Tunnel. Project REAM

Video Tour the World's First Hyper-Bored Tunnel, Near Lake Tahoe:

In December, I went to Reno for the AME (Association for Mineral Exploration) annual mining conference and took the initiative to do a snow-shoe hike with a mountaineer guide into a place called Hope Valley, California, just south of Lake Tahoe to reach the original Project REAM (Rapid Excavation And Mining) tunnel from the 1970s high in the Sierra mountains before snow closed off access for the year. Watch the video of this amazing accomplishment by the US Army, Bureau of Mines and ARPA (Advanced Research Projects Agency) who sponsored it, narrated by me, CEO, Mark Russell, explaining it!

View the video [HERE](#).

Business Summary:

In Q4 2023, HyperSciences completed Phase 1 and kicked-off our next phase of the High Speed Tunneling Boring and Mining Demo Project. This program is expected to culminate in additional high speed rock breaking field trials in the summer of 2024. By December of 2023, the confidential Major Mining Partner was satisfied with the progress of the Phase 1 field trials results so we are now again under contract for Phase 1.1. We are pleased to announce that this phase will be a test of the HyperCore 2.0 utilizing the Baffle Tube Ram Accelerator (BTRA).

We continue to develop relationships with additional mining companies and pursue other OEMs (Original Equipment Manufacturers) to participate in this next phase HyperBore project development. This project will build out a field trial of a HyperCore 2 system which is a hypersonic-capable launcher that is being engineered to accelerate our projectile "impactors" to velocities of Mach 4+ (1400 m/s) and demonstrate the effectiveness of high velocity (1kg) dense (iron) projectiles for rock breaking. As previously demonstrated by us at a smaller mass over the past few years as well as Project REAM (Rapid Excavation and Tunneling) at larger masses.

We are still pursuing a Reg A Financing 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. Prior to launching the Reg A financing, we do have to complete a bridge financing of a minimum of approximately \$2.5M.

Technical:

HyperCore 2 design is complete. Mid-Build of HyperCore 2 for Phase 1.1 Tunneling Demo! 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 (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. Combined with the installed mechanical pointing mechanisms, the HyperCore 1.0 system achieved fully remote operation. The performance and cost modeling has been completed for Phase I and shared with our mining partner, and the results of the testing and economics analysis suggest compelling viable HyperCore products when assembled into multi-barrel HyperBore systems which are estimated to be 3-10X faster than hard rock drill and blast or tunnel boring machines, at a lower cost.

Finance and Economics:

HyperSciences' HyperBreaker™ testing for tunneling and mining is generating R&D cash flow from major mining companies and major OEMs. HyperSciences is using this R&D cash flow, investments, and loans to fund the current technical development and corporate operations at approximately \$100k a 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 is worth billions and that 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.

During the initial portion of the Phase 1.1 contract period, which kicked off in late November, HyperSciences completed an economic analysis based on test data and new product designs and completed a performance trade study between the HyperCore 1 and HyperCore 2 (which is a HyperCore 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. We have chosen to develop and demonstrate a HyperCore 2 with a 50mm bore diameter based on the incredible potential of breaking over ½ tonne of rock per shot for the Phase 1.1 system. Total hyper-broken cost per tonne financial analysis was explored and is shown in the following image for a selected set of future commercial systems.

HyperBore™

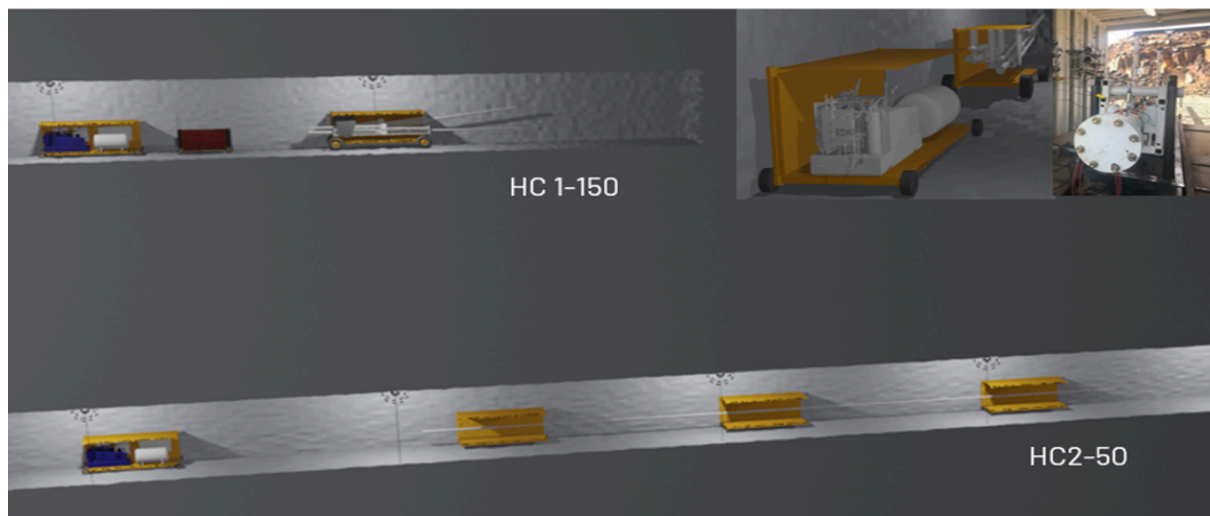


Figure 2: HyperCore 1 and HyperCore 2 (with Ram Accelerator) Product Offering for Phase 2 Commercialization Program

Economic Summary:

As expected, we are faster and lower cost than drill and blast allowing fast access to ore bodies and ore production. Each HyperCore could generate over \$1+ M in revenue per year.

Current Reg D 506(c) Financing

HyperSciences currently has a Reg D convertible note offering available to accredited investors. The financing documents can be found [HERE](#). Minimum investment is \$20,000, with 10% interest, and the opportunity to convert to stock at a 25% discount upon the listing on a stock exchange. The conversion to stock is at the discretion of each investor. Feel free to contact us with any questions.

In our next phase of development, we need 4-6 HyperCore units (approximately \$3M) and 18-24 months of operational runway at 2X current rate (approximately \$5M), therefore we are planning to raise \$15-\$25M in our upcoming Reg A offering.

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

Investor Update Webinar:

We are planning to host an investor update webinar with HyperSciences CEO, Mark Russell, on Thursday, March 14, 2024 at 11:30 AM PST (2:30 PM EST). Please click [HERE](#) to register.

Stay tuned!

All the best,

Mark Russell
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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.

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