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DELTA REPORT

10-Q

MIGI - MAWSON INFRASTRUCTURE GRO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1722
CHANGES	155
DELETIONS	686
ADDITIONS	881

UNITED STATES
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2023 March 31, 2024
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________________ to ________________
Commission File Number: No. 001-40849
Mawson Infrastructure Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	88-0445167
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
201 Clark Street, Sharon, 950 Railroad Avenue, Midland, Pennsylvania	1614615059
(Address of principal executive offices)	(Zip Code) code)

+1-412 -515-0896
(Registrant's telephone number, including area code) code: 1-412-515-0896
(Former name, former address and former fiscal year, if changed since last report)

Securities registered Registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	MIGI	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 10, 2023 May 12, 2024, the issuer had a total of 16,644,711 17,518,483 shares of common stock, par value $0.001 per share, outstanding.

MAWSON INFRASTRUCTURE GROUP INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2023 March 31, 2024
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

	September 30, 2023 (unaudited)	December 31, 2022	March 31, 2024 (unaudited)	December 31, 2023
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,496,838	$ 946,265	$ 6,373,082	$ 4,476,339
Prepaid expenses	1,547,066	3,488,868	4,242,057	3,556,933
Trade and other receivables	10,611,086	10,458,076	13,243,037	12,105,387
Assets held for sale	-	5,446,059		
Total current assets	**13,654,990**	**20,339,268**	**23,858,176**	**20,138,659**
Property and equipment, net	66,312,235	91,016,498	36,369,878	57,740,291
Derivative asset	4,653,608	11,299,971	5,744,241	4,058,088
Investments, equity method	100,904	2,085,373	102,155	106,807
Marketable securities	-	3,243,957		
Security deposits	424,064	2,524,065	415,651	415,000
Operating lease right-of-use asset	2,691,570	2,819,933	1,219,943	2,307,399
Total assets	**$ 87,837,371**	**$ 133,329,065**	**$ 67,710,044**	**$ 84,766,244**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Trade and other payables	$ 27,054,546	$ 10,572,061	$ 34,196,548	$ 32,513,113
Current portion of operating lease liability	1,762,488	1,300,062	888,637	1,416,310
Current portion of finance lease liability	32,453	30,702	33,677	33,059
Current portion of long-term borrowings	17,784,148	23,610,583	19,125,415	19,352,752
Total current liabilities	**46,633,635**	**35,513,408**	**54,244,277**	**53,315,234**
Customer deposits	-	15,328,445		
Operating lease liability, net of current portion	1,092,077	1,727,975	410,165	1,016,216
Finance lease liability, net of current portion	58,660	83,223	41,510	50,164
Long-term borrowings, net of current portion	-	4,509,894		
Total liabilities	**47,784,372**	**57,162,945**	**54,695,952**	**54,381,614**
Commitments and Contingencies (Note 9)				
Commitments and Contingencies				
Stockholders' equity:				
Series A preferred stock; 1,000,000 shares authorized, no shares issued and outstanding as of September 30, 2023 and December 31, 2022	-	-		
Common stock, $0.001 par value per share; 90,000,000 shares authorized, 16,518,043 and 13,625,882 shares issued and outstanding as of September 30, 2023, and December 31, 2022, respectively	16,518	13,626		
Series A preferred stock; 1,000,000 shares authorized, no shares issued and outstanding as of March 31, 2024 and December 31, 2023			-	-
Common stock, $0.001 par value per share; 90,000,000 shares authorized, 16,644,711 shares issued and outstanding as of March 31, 2024 and December 31, 2023			16,645	16,645
Additional paid-in capital	205,920,400	194,294,559	215,249,725	211,279,176
Accumulated other comprehensive income	5,543,121	5,021,467	178,386	608,688
Accumulated deficit	(169,751,176)	(122,257,628)	(202,430,664)	(182,666,465)
Total Mawson Infrastructure Group, Inc. stockholders' equity	**41,728,863**	**77,072,024**	**13,014,092**	**29,238,044**
Non-controlling interest	(1,675,864)	(905,904)	-	1,146,586
Total stockholder's equity	**40,052,999**	**76,166,120**		
Total liabilities and stockholder's equity	**$ 87,837,371**	**$ 133,329,065**		
Total stockholders' equity			**13,014,092**	**30,384,630**
Total liabilities and stockholders' equity			**$ 67,710,044**	**$ 84,766,244**

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,		For the three months ended March 31,	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
Revenues:						
Digital currency mining revenue	$ 6,898,223	$ 5,913,031	$ 14,550,744	$ 40,909,399	$ 7,514,763	$ 2,756,000
Co-location revenue	2,959,074	5,726,064	11,876,379	9,842,924	8,234,041	4,322,553
Net energy benefits	1,475,333	6,301,108	2,934,066	10,479,768	2,472,505	441,055
Sale of equipment	-	10,388,223	193,581	6,301,108	550,000	150,997
Total revenues	**11,332,630**	**28,328,426**	**29,554,770**	**67,533,199**	**18,771,309**	**7,670,605**
Less: Cost of revenues (excluding depreciation)	7,715,920	18,183,524	19,422,380	40,954,957	11,786,168	4,678,002
Gross profit	**3,616,710**	**10,144,902**	**10,132,390**	**26,578,242**	**6,985,141**	**2,992,603**
Operating expenses:						
Selling, general and administrative	3,655,444	5,001,553	14,898,118	20,882,237	3,463,923	4,977,417
Stock based compensation	3,784,316	797,830	5,475,935	2,124,674	4,901,484	1,068,288
Depreciation and amortization	11,875,618	16,252,106	28,627,896	46,061,673	7,999,076	7,962,523
Change in fair value of derivative asset	520,838	(3,669,547)	6,646,363	(21,383,904)	(1,686,152)	681,225
Total operating expenses	19,836,216	**18,381,942**	**55,648,312**	**47,684,680**	**14,678,331**	**14,689,453**
Loss from operations	**(16,219,506)**	**(8,237,040)**	**(45,515,922)**	**(21,106,438)**	**(7,693,190)**	**(11,696,850)**
Non-operating income (expense):						
Losses on foreign currency transactions	(600,619)	(7,320,412)	(1,416,000)	(6,362,594)		
Gains (losses) on foreign currency transactions					169,638	(418,216)
Interest expense	(514,953)	(1,559,104)	(2,061,067)	(4,360,817)	(734,580)	(835,107)
Impairment of financial assets	(1,837,063)	-	(1,837,063)	(1,134,547)		
Loss on write off property and equipment					-	(118,933)
Profit on sale of site	-	-	3,353,130	-	-	790,847
Gain on sale of marketable securities	-	-	1,437,230	-	-	1,437,230
Other income					165,160	44,510
Other expenses	(158,577)	-	(226,330)	-	(9,792)	-
Loss on re-classification to assets held for sale	-	(4,195,046)	-	(4,195,046)		
Other income	-	59,819	245,694	1,931,952		
Loss on deconsolidation					(11,925,908)	-
Share of net loss of equity method investments	-	-	(36,356)	-	-	(36,356)
Total non-operating income (expense), net	(3,111,212)	(13,014,743)	(540,762)	(14,121,052)	(12,335,482)	863,975
Loss before income taxes	**(19,330,718)**	**(21,251,783)**	**(46,056,684)**	**(35,227,490)**	**(20,028,672)**	**(10,832,875)**
Income tax expense	-	-	(2,304,454)	-		
Income tax benefit (expense)					59,387	(548,083)
Net Loss	**(19,330,718)**	**(21,251,783)**	**(48,361,138)**	**(35,227,490)**	**(19,969,285)**	**(11,380,958)**
Less: Net loss attributable to non-controlling interests	(283,101)	(389,801)	(867,590)	(912,449)	**(205,086)**	(278,933)
Net Loss attributed to Mawson Infrastructure Group stockholders	**$ (19,047,617)**	**$ (20,861,982)**	**$ (47,493,548)**	**$ (34,315,041)**	**$ (19,764,199)**	**$ (11,102,025)**
Net Loss per share, basic and diluted	$ (1.15)	$ (1.58)	$ (3.10)	$ (2.77)		
Net Loss per share, basic & diluted					$ (1.19)	$ (0.80)
Weighted average number of shares outstanding	16,500,833	13,227,788	15,336,653	12,392,205	16,644,711	13,953,308

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,		For the three months Ended March 31,	
	2023	**2022**	**2023**	**2022**	**2024**	**2023**
Net Loss	**$ (19,330,718)**	**$ (21,251,783)**	**$ (48,361,138)**	**$ (35,227,490)**	**$ (19,969,285)**	**$ (11,380,958)**
Other comprehensive (income) loss						
Other comprehensive income (loss)						
Foreign currency translation adjustment	267,458	6,453,266	619,284	4,452,856	(482,143)	131,733
Comprehensive loss	(19,063,260)	(14,798,517)	(47,741,854)	(30,774,634)	(20,451,428)	(11,249,225)
Less: Comprehensive loss attributable to non-controlling interests	(283,101)	(389,801)	(867,590)	(912,449)	(205,086)	(278,933)
Comprehensive loss attributable to common stockholders	**$ (18,780,159)**	**$ (14,408,716)**	**$ (46,874,264)**	**$ (29,862,185)**	**$ (20,246,342)**	**$ (10,970,292)**

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
For the Three Months Ended September 30, 2023 March 31, 2024

	Common Stock (#)	Common Stock ($)	Additional Paid-in-Capital	Accumulated Other Comprehensive Income/ (Loss)	Accumulated Deficit	Total Mawson Stockholders' Equity	Non-controlling interest	Total Equity
Balance as of June 30, 2023	**16,454,709**	**$ 16,455**	**$ 202,136,148**	**$ 5,321,282**	**$ (150,703,559)**	**$ 56,770,326**	**$ (1,438,382)**	**$ 55,331,944**
Issuance of warrants	-	-	500,500	-	-	500,500	-	500,500
Exercising of RSUs and stock options	63,334	63	163,339	-	-	163,402	-	163,402
Stock based compensation expense for RSU's and stock options	-	-	3,120,413	-	-	3,120,413	-	3,120,413
Net loss	-	-	-	-	(19,047,617)	(19,047,617)	(283,101)	(19,330,718)
Other comprehensive income	-	-	-	221,839		221,839	45,619	267,458
Balance as of September 30, 2023	**16,518,043**	**$ 16,518**	**$ 205,920,400**	**$ 5,543,121**	**$ (169,751,176)**	**$ 41,728,863**	**$ (1,675,864)**	**$ 40,052,999**

	Common Stock (#)	Common Stock ($)	Additional Paid-in-Capital	Accumulated Other Comprehensive Income/(Loss)	Accumulated Deficit	Total Mawson Stockholders' Equity	Non-controlling interest	Total Equity
Balance as of December 31, 2023	**16,644,711**	**$ 16,645**	**$ 211,279,176**	**$ 608,688**	**$ (182,666,465)**	**$ 29,238,044**	**$ 1,146,586**	**$ 30,384,630**
Deconsolidation of MIG No.1 Pty Ltd	-	-	-	-	-	-	(889,659)	(889,659)
Stock based compensation expense for RSU's and stock options	-	-	3,970,549	-	-	3,970,549	-	3,970,549
Net loss	-	-	-	-	(19,764,199)	(19,764,199)	(205,086)	(19,969,285)
Other comprehensive loss	-	-	-	(430,302)	-	(430,302)	(51,841)	(482,143)
Balance as of March 31, 2024	**16,644,711**	**$ 16,645**	**$ 215,249,725**	**$ 178,386**	**$ (202,430,664)**	**$ 13,014,092**	**$ -**	**$ 13,014,092**

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
For the Three Months Ended September 30, 2022 March 31, 2023

	Common Stock (#)	Common Stock ($)	Additional Paid-in-Capital	Reserves	Accumulated Other Comprehensive Income/ (Loss)	Accumulated Deficit	Total Mawson Stockholders' Equity	Non-controlling interest	Total Equity	Common Stock (#)	Common Stock ($)	Additional Paid-in Capital
Balance as of June 30, 2022	**12,081,883**	**12,082**	**169,627,805**	**17,104,426**	**(2,530,052)**	**(82,952,860)**	**101,261,401**	**(140,227)**	**101,121,174**			
Balance as of December 31, 2022										**13,625,882**	**$ 13,626**	**$ 194,294**
Issuance of common stock, share based compensation										216,460	216	647
Issuance of warrants										-	-	500
Exercising of RSU's and stock options										113,104	113	196
Issuance of common stock, net of offer costs	1,337,248	1,337	5,642,961	-	-	-	5,644,298	-	5,644,298	175,664	176	471
Issuance of warrants	-	-	(10,243,200)	10,743,700	-	-	500,500	-	500,500			
Issuance and exercising of RSUs and stock options	122,497	122	1,829,500	(1,531,568)	-	-	298,054	-	298,054			
Net loss	-	-	-	-	-	(20,861,982)	(20,861,982)	(389,801)	(21,251,783)	-	-	
Other comprehensive income	-	-	-	-	6,427,434	4,480	6,431,914	21,352	6,453,266	-	-	
Balance as of September 30, 2022	**13,541,628**	**13,541**	**166,857,066**	**26,316,558**	**3,897,382**	**(103,810,362)**	**93,274,185**	**(508,676)**	**92,765,509**			
Balance as of March 31, 2023										**14,131,110**	**$ 14,131**	**$ 196,110**

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
For the Nine Months Ended September 30, 2023

	Common Stock (#)	Common Stock ($)	Additional Paid-in-Capital	Accumulated Other Comprehensive Income/ (Loss)	Accumulated Deficit	Total Mawson Stockholders' Equity	Non-controlling interest	Total Equity
Balance as of December 31, 2022	**13,625,882**	**$ 13,626**	**$ 194,294,559**	**$ 5,021,467**	**$ (122,257,628)**	**$ 77,072,024**	**$ (905,904)**	**$ 76,166,120**
Conversion of notes payable into common stock	104,319	104	276,855	-	-	276,959	-	276,959
Issuance of common stock in lieu of interest on borrowings	18,807	19	63,926	-	-	63,945	-	63,945
Issuance of common stock for services	93,334	93	306,976	-	-	307,069	-	307,069
Issuance of warrants	-	-	1,501,500	-	-	1,501,500	-	1,501,500
Exercising of RSUs and stock options	177,094	177	163,339	-	-	163,516	-	163,516
Stock based compensation for RSUs	-	-	3,503,849	-	-	3,503,849	-	3,503,849
Issuance of common stock, net of issuance costs	2,498,607	2,499	5,809,396	-	-	5,811,895	-	5,811,895
Net loss	-	-	-	-	(47,493,548)	(47,493,548)	(867,590)	(48,361,138)
Other comprehensive income	-	-	-	521,654	-	521,654	97,630	619,284
Balance as of September 30, 2023	**16,518,043**	**$ 16,518**	**$ 205,920,400**	**$ 5,543,121**	**$ (169,751,176)**	**$ 41,728,863**	**$ (1,675,864)**	**$ 40,052,999**

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
For the Nine Months Ended September 30, 2022

	Common Stock (#)	Common Stock ($)	Additional Paid-in-Capital	Reserves	Accumulated Other Comprehensive Income/ (Loss)	Accumulated Deficit	Total Mawson Stockholders' Equity	Non-controlling interest	Total Equity
Balance as of December 31, 2021	**11,791,085**	**11,791**	**166,200,545**	**20,177,232**	**(521,094)**	**(71,123,259)**	**114,745,215**	**(164,626)**	**114,580,589**
Issuance of common stock, stock based compensation	3,131	3	134,895	408,585	-	-	543,483	-	543,483
Issuance of warrants	-	-	(10,243,200)	11,411,033	-	-	1,167,833	-	1,167,833
Issuance of RSUs and stock options	410,165	410	6,039,550	(5,680,292)	-	-	359,668	-	359,668
Issuance of common stock, net of offer costs	1,337,247	1,337	5,642,960	-	-	-	5,644,297		5,644,297
Net loss	-	-	-	-	-	(34,315,041)	(34,315,041)	(912,449)	(35,227,490)
Other comprehensive income	-	-	-	-	4,418,476	-	4,418,476	34,380	4,452,856
Non-controlling interest	-	-	(917,684)	-	-	1,627,938	710,254	534,019	1,244,273
Balance as of September 30, 2022	**13,541,628**	**13,541**	**166,857,066**	**26,316,558**	**3,897,382**	**(103,810,362)**	**93,274,185**	**(508,676)**	**92,765,509**

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the nine months ended September 30,		For the three months ended March 31,	
	2023	2022	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$ (48,361,138)	$ (35,227,490)	$ (19,969,285)	$ (11,380,958)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	28,627,896	46,061,673	7,999,076	7,962,523
Amortization of operating lease right-of-use asset	1,057,500	-	355,688	338,781
Foreign exchange loss	1,303,569	-		
Sale of intellectual property	-	(1,381,460)		
Foreign exchange gain			(89,450)	386,952
Stock based compensation	5,475,935	2,124,674	3,970,549	1,068,288
Non-cash interest expense	1,365,291	1,248,198	669,183	439,635
Unrealized (gain) loss on derivative asset	6,646,363	(21,383,904)	(1,686,152)	681,225
Fair value loss on investments	-	129,829		
Loss on deconsolidation			11,925,908	-
Gain on sale of marketable securities	(1,437,230)	(93,139)	-	(1,437,230)
Share of loss from equity method investments	36,356	-		
Loss on sale of property and equipment	231,266	110,547		
Interest expense	-	684,166		
Non-controlling interest	-	1,244,274		
Loss on re-classification to assets held for sale	-	4,195,046		
Profit on sale of site	(3,353,130)	-		
Impairment of equity method investment	1,837,063			
Gain on lease termination			(35,483)	-
Loss from equity method investments			-	36,122
Loss (gain) on sale of property and equipment			(51,185)	77,603
Loss on write off of property and equipment			-	118,933
Changes in assets and liabilities:			-	
Trade and other receivables	(2,398,826)	(6,180,674)	(1,137,650)	981,569
Operating lease liabilities	(1,096,790)	-	(364,965)	(340,156)
Other current assets	4,041,803	(5,181,533)	(685,775)	3,829,172
Trade and other payables	1,205,999	38,791,001	975,188	(1,445,868)
Net cash (used in) provided by operating activities	(4,818,073)	25,141,208		
Net cash provided by operating activities			1,875,647	1,316,591
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for the purchase of property and equipment	(5,254,665)	(37,116,302)	(19,360)	(3,148,946)
Proceeds from sale/of (investment in) financial assets	-	255,425		
Proceeds from sale of site	8,107,508	-		
Deposits received in relation to sale of Georgia site	-	100,000		
Proceeds from sales of property and equipment	730,697	13,348,629	550,000	1,010,692
Proceeds from sale of marketable securities	6,927,003	-	-	6,207,548
Payment of property and equipment deposits	-	(32,054,326)		
Net cash provided by (used in) investing activities	10,510,543	(55,466,574)		
Net cash provided by investing activities			530,640	4,069,294
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from common share issuances	6,192,845	6,478,866	-	471,379
Payments of stock issuance costs	(380,950)	(782,319)		
Proceeds from borrowings	1,930,425	34,570,551		
Repayment of finance lease liabilities	(28,632)	(1,340,100)	(9,544)	(9,543)
Repayment of borrowings	(12,829,158)	(12,686,662)	(500,000)	(5,397,550)
Net cash (used in) provided by financing activities	(5,115,470)	26,240,336		
Net cash used in financing activities			(509,544)	(4,935,714)
Effect of exchange rate changes on cash and cash equivalents	(26,427)	(199,655)	-	(9,110)
Net increase/(decrease) in cash and cash equivalents	550,573	(4,284,685)		
Net increase in cash and cash equivalents			1,896,743	441,061
Cash and cash equivalents at beginning of period	946,265	5,467,273	4,476,339	946,265

Cash and cash equivalents at end of period	$ 1,496,838	$ 1,182,588	$ 6,373,082	$ 1,387,326
Supplemental disclosure of cash flow information				
Cash paid for interest			$ 65,397	$ 395,472
Cash paid for income taxes			$ -	$ -
Non-cash transactions				
Recognition of right of use operating asset and lease liability	$ 929,138	$ -	$ -	$ 82,879
Accrued interest on convertible notes settled in common stock	$ 276,959	$ -	$ -	$ 276,959

See accompanying notes to unaudited consolidated condensed financial statements.

MAWSON INFRASTRUCTURE GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – GENERAL

Nature of Operations

Mawson Infrastructure Group Inc. (the “Company” or “Mawson” or “we” (“Mawson,” the “Company,” “we,” “us,” and “our”) is a digital infrastructure company headquartered in the United States. Mawson is a corporation incorporated in Delaware in 2012. On March 9, 2021, the Company acquired the shares of Cosmos Capital Limited in a stock for stock exchange. This transaction has been accounted for as a reverse asset acquisition. Mawson was previously known as Wize Pharma Inc, and changed its name on March 17, 2021. Shares of Mawson’s common stock, par value $0.001 per share (“Common Stock”) have been listed on The Nasdaq Capital Market since September 29, 2021.

The Company has 3 primary businesses – digital currency mining, or Bitcoin self-mining, co-location and related services, and energy management. markets.

Throughout this filing, we use the term Bitcoin (with a capital “B”) to represent the overall concept of Bitcoin, including the technology, protocol, and the entire ecosystem. The term bitcoin (with a lower case “b”) refers to the digital bitcoin currency or token.

The Company develops and operates digital infrastructure for digital currency, such as bitcoin, mining activities on the Bitcoin blockchain network. The Company also provides digital infrastructure services for its co-location customers that use computational machines to mine bitcoin through our data centers and the Company charges for the use of its digital infrastructure and related services. The Company also has an energy management markets program through which it can receive net energy benefits in exchange for curtailing the power the Company utilizes from the grid in response to instances of high electricity demand.

The Company may also transact in digital currency mining, data center infrastructure and related equipment on a periodic basis, subject to prevailing market conditions.

The Company designs, develops, operates, and manages its digital infrastructure to responsibly support the Bitcoin network by contributing to the scale, structure, and decentralization of the Bitcoin network and optimizing energy consumption. The Company helps contribute to the ecosystem and growth of digital currencies and commodities as there continues to be a global transition to the new digital economy.

We strive The Company strives to operate and invest in markets and communities that offer low or zero carbon renewable energy sources and participate in energy management activities. We invest in the communities in which we operate and also support our broader ecosystem. Throughout this filing, we use the term Bitcoin (with a capital “B”) to represent the overall concept of Bitcoin, including the technology, protocol, and the entire ecosystem. The term bitcoin (with a lower case “b”) refers to the digital bitcoin currency or token.

General

Mawson was incorporated in the State of Delaware on February 10, 2012. On March 9, 2021, the Company acquired the shares of Cosmos Capital Limited (now known as Mawson Infrastructure Group Pty Ltd and referred to herein as “Mawson AU”) in a stock for stock exchange. This transaction has been accounted for as a reverse asset acquisition. Mawson was previously known as Wize Pharma Inc, and changed its name on March 17, 2021, after the acquisition of Mawson AU. Shares of Mawson’s common stock have been listed on the Nasdaq Capital Market since September 29, 2021.

The Company manages and operates data centers delivering a current capacity of approximately 110 109 MW across Pennsylvania with a pipeline its current operational sites in the United States of additional sites located across Pennsylvania America.

The Company has previously reported through an 8-K filing on March 29, 2024 that the Company may seek to exit certain or all of its entities and Ohio.
holdings in Australia. The accompanying consolidated condensed unaudited interim financial statements, including the results of a number of the Company’s Australian subsidiaries: Mawson AU, Cosmos Trading Pty Ltd, Cosmos Infrastructure LLC, Cosmos Manager LLC, MIG No.1 Pty Ltd (on March 19, 2024, an Australian entity MIG No.1 Pty Ltd was placed into a Australian court appointed liquidation and wind-up process, as disclosed in note 3), MIG No.1 LLC, Mawson AU Pty Ltd (on April 23, 2024, an Australian entity Mawson AU Pty Ltd was placed into a Australian court appointed liquidation and wind-up process, as disclosed in note 10 subsequent events), an Australian entity Mawson Services Pty Ltd (on April 29, 2024, Mawson Services Pty Ltd was placed into a Australian court appointed liquidation and wind-up process, as disclosed in note 10 subsequent events), Luna Squares LLC, Mawson Bellefonte LLC, Luna Squares Repairs LLC, Luna Squares Property LLC, Mawson Midland LLC, Mawson Hosting LLC, Mawson Ohio LLC and Mawson Mining LLC (collectively referred to as the “Group”), have been prepared by the Company, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) and in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”).

These consolidated, condensed unaudited interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group as of December 31, 2022 December 31, 2023, and the notes thereto, included in the Company's Annual Report on Form 10-K filed with SEC on March 23, 2023 April 1, 2024. Accordingly, they do not include all the information and footnotes required by U.S GAAP for complete financial statements. The results of the interim period are not necessarily indicative of the results to be expected for the full year ending December 31, 2023 December 31, 2024. These consolidated, condensed unaudited interim financial statements reflect all adjustments which, in the opinion of management, are necessary to present fairly the financial position, the results of operations and cash flows of the Company for the periods presented.

Going Concern

The accompanying unaudited consolidated, condensed unaudited interim financial statements have been prepared assuming the Company will continue as a going concern basis and in accordance with U.S. GAAP. The going concern basis of presentation assumes that the Company will continue in operation one year after the date these financial statements are issued and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Pursuant to the requirements of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 205-40, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date these financial statements are issued. This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued.

For the nine-month period three months ended September 30, 2023 March 31, 2024, the Company incurred a loss after tax of $48.36 million $19.76 million, and as at September 30, 2023 of March 31, 2024, had net current liabilities negative working capital of $32.98 million $30.39 million, had total net assets of $40.05 million $13.01 million and had an accumulated deficit of $169.75 million $202.43 million. The Company's cash position as at September 30, 2023 of March 31, 2024, was $1.50 million $6.37 million.

Bitcoin prices have recovered from their lows of approximately $16,000 in late 2022 to approximately $36,000 recently, however this price is still substantially less than the previous highs of approximately $67,000 in late 2021. In addition, can be volatile and the difficulty of earning bitcoin is approximately 76% has typically trended higher than the same over time, last year, and trending higher, which means the Company typically earns less bitcoin for the same effort. In addition, the rewards that bitcoin miners earn are expected to halve halved (not including transaction fees) in or about during April or May 2024. The Company's miners and other mining equipment will require replacement over time to ensure that the Company can continue to competitively and efficiently produce bitcoin. These factors are outside the Company's direct control, and the Company may not be able to practically mitigate their impact. The Company cannot predict with any certainty whether these trends will reverse or persist. In addition, the Company's miners and other mining equipment will require replacement over time as they come to the end of their useful lives to ensure that the Company can continue to competitively and efficiently produce bitcoin.

The Company announced on October 19, 2023, that it had signed a new customer co-location agreement with a subsidiary of Consensus Technology Group LLC for 50MW, which will replace the Customer Equipment Co-Location Agreement the Company's subsidiary, Luna Squares LLC ("Luna"), had with Celsius Mining LLC (the "Co-Location Agreement"), which expired on August 23, 2023. Celsius Mining LLC is currently in default on payments under the Co-Location Agreement to Luna Squares LLC, and the Company and Luna Squares LLC have reserved all rights.

In addition, Luna. On July 13, 2022, Celsius Mining LLC and Luna Squares LLC have made certain allegations and counter-allegations against each other in respect of their performance under the Co-Location Agreement. There is a risk of a dispute or litigation arising out of these cross allegations, which also relate to the advanced deposit paid by Celsius Mining LLC to Luna Squares LLC valued at $15.33 million (the “Celsius Deposit”) and Luna Squares LLC’s and Celsius Mining LLC’s performance under the Co-Location Agreement. Luna Squares LLC claims, amongst other things, that the deposit, in full or in part, has been forfeited due to Celsius Mining LLC’s breaches and its other actions or inactions affiliated debtors (collectively here “Celsius”) filed for bankruptcy relief under the Co-Location Agreement. If Celsius Mining LLC prevails Chapter 11 in the dispute, Luna Squares LLC could be required to return all or part of the deposit to United States Bankruptcy Court. Celsius Mining LLC. While this amount is included as a current liability within trade and other payables in the consolidated condensed Balance Sheet, the outcome of the dispute is uncertain. In addition, Celsius Mining LLC has failed to pay approximately $6.95 million of unpaid co-location invoices, but due to Celsius’s Ch. 11 bankruptcy, process, $1.84 million of that $6.95 million are considered pre-petition amounts, for which Luna Squares expects to be treated as is a general unsecured creditor, and $5.11 $5.11 million of that $6.95 million are considered post-petition amounts which is due and payable to Luna Squares. for which Luna has filed a proof of claim. Celsius has commenced the process of making distributions under its plan approved by the Court on January 31, 2024. Luna expects payment of its claims and continues to monitor the status of this matter.

In addition, Celsius and Luna have made certain allegations and counter-allegations against each other claiming it is owed approximately $8 million under the promissory note and claiming entitlement to return of $15.33 million paid as deposit. Mawson denies that Celsius is entitled to the relief it seeks in the adversary proceeding and is actively defending the matter. As of May 1, 2024 and pursuant to a court order dated April 22, 2024, the Celsius Deposit, in connection with civil lawsuit against Luna and Mawson has been dismissed pursuant to the Co-Location Agreement, Celsius Mining LLC loaned $20 million Company’s successful motion to Luna Squares LLC, through a Secured Promissory Note (the “Celsius Promissory Note”), which had a maturity date compete arbitration. Currently, no arbitration proceedings or further appeals have been filed by either party.

A subsidiary of August 23, 2023, and a total outstanding balance as at September 30, 2023, of $8.24 million.

The the Company, MIG No. 1 Pty Ltd ("MIG No.1") has a Secured Loan Facility Agreement with Marshall Investments GCP Pty Ltd ATF for the Marshall Investments MIG Trust ("Marshall"). The loan matures matured in February 2024 and the total outstanding balance is $8.05 million $9.09 million as at September 30, 2023 of March 31, 2024. MIG No. 1 Pty Ltd, an Australian entity, has not made a principal and interest payment since May 2023. MIG No. 1 Pty Ltd and Marshall are in ongoing discussions with respect to the payment, and the loan terms generally. Marshall and MIG No. 1 Pty Ltd have each reserved their rights. On March 18, 2024, MIG No.1 Pty Ltd was placed into a court appointed liquidation and wind-up process and was deconsolidated from the group on this date, see Note 3.

A subsidiary of The Company is the Company in Australia, Mawson AU has guarantor on a Secured Loan Facility Agreement for working capital by Mawson Infrastructure Group Pty Ltd with W Capital Advisors Pty Ltd with a total loan facility Ltd. As of AUD$8 million (USD$5.2 million) ("Working Capital Loan"). As at September 30, 2023 March 31, 2024, AUD$1.51 million (USD$0.97 million) AUD $1.77 million (USD $1.13 million) has been drawn down from this facility. The Secured Loan Facility expired in March 2023. W Capital Advisors This Secured Loan Facility Agreement was entered into with an Australian entity Mawson Infrastructure Group Pty Ltd, this company was placed into Australian voluntary administration on October 30, 2023 and Mawson AU each reserved their rights. On October 30, 2023, the directors of this Australian subsidiary Mawson AU appointed voluntary administrators to Mawson AU. On on November 3, 2023, W Capital Advisors appointed receivers and managers in Australia under the terms of their security relating to their working capital facility. All of Mawson AU's debts, other than the Secured Loan Facility will be managed as part of the voluntary administration. The Company has a Secured Convertible Promissory Note with W Capital Advisors Pty Ltd with an outstanding balance of $0.50 million as at September 30, 2023. The Convertible Note matured in July 2023. W Capital Advisors Pty Ltd has not taken formal steps to enforce its rights in connection with the Convertible Note and the Company reserves its rights.

The Company, or its subsidiaries, have not fulfilled specific payment obligations related to the Celsius Promissory Note, Marshall loan and the W Capital Working Capital Loan and Secured Convertible Promissory Note mentioned above. Consequently, the creditors associated with these debt facilities may initiate actions as allowed by relevant grace periods. This includes the possibility of opting to expedite the repayment of the principal debt, pursuing legal action against the Company or its subsidiaries for payment default, raising interest rates to the default or overdue rate, or taking appropriate measures concerning collateral (including appointing a receiver), if applicable.

The Company has evaluated the above conditions and concluded that these conditions raise substantial doubt regarding our ability to continue as a going concern for a period of at least one year from the date of issuance of these unaudited condensed consolidated financial statements.

To alleviate mitigate these conditions, the Company has explored various avenues to enhance liquidity, fund the Company's expenditures, and meet debt servicing requirements. These strategies include, among others:

- Executing and implementing further new customer co-location service agreements;
- Engaging in discussions with new and existing lenders, including related to refinancing debt, raising additional debt, or modifying terms of existing debt;
- Considering equity issuances such as capital raises;
- Assessing and evaluating corporate and strategic transactions including engaging engagement of an investment bank;
- Assessing and evaluating monetizing specific assets, including potential sales of mining infrastructure equipment, miners, operational sites, or expansion locations under consideration; and
- Conducting assessments to identify and implement operational efficiencies, cost-cutting measures, and other actions aimed at enhancing revenue and optimizing expenses.

Although the Company may have access to debt, equity, and other sources of funding, these may require additional time and cost, may impose operational restrictions and other covenants on the Company, may not be available on attractive terms, and may not be available at all. If the Company raises additional capital or debt, this could cause additional dilution to the Company's current stockholders. The terms of any future capital raise or debt issuance and the costs of any financing are uncertain and may be unfavorable to the Company and the Company's current stockholders. Should the Company be unable to source sufficient funding, the Company may not be able to realize assets at their recognized values and fulfill its liabilities in the normal course of business at the amounts stated in these consolidated financial statements.

The As previously reported, the Company has engaged Needham and Company, an investment bank, and is obtaining advice from outside legal counsel. It is important to note that strategic and other initiatives may not lead to any transaction or other outcome.

These consolidated, condensed consolidated unaudited interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities and other commitments in the normal course of business. They do not include any adjustments relating to the recoverability and carrying amounts of assets and the amounts of liabilities should the Company be unable to continue as a going concern and meet its obligations and debts as and when they fall due.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Preparation

The accompanying unaudited consolidated condensed financial statements of the Company include the accounts of the Company and its wholly or majority owned and controlled subsidiaries. Intercompany investments, balances and transactions have been eliminated in consolidation. Non–controlling interests represent the minority equity investment in the Company's subsidiaries, plus the minority investors' share of the net operating results and other components of equity relating to the non–controlling interest.

Pursuant to a Certificate of Amendment to the Certificate of Incorporation of the Company dated February 6, 2023, Mawson executed a reverse stock split of its outstanding common stock at a ratio of 1:6 and reduced its authorized common stock to 90,000,000 shares, as set forth in the Company's Current Report on Form 8-K filed February 9, 2023. Unless otherwise indicated, all share and per share amounts included in this Quarterly Report reflect the effects of the reverse stock split.

Any change in the Company's ownership interest in a consolidated subsidiary, through additional equity issuances by the consolidated subsidiary or from the Company acquiring the shares from existing stockholders, in which the Company maintains control is recognized as an equity transaction, with appropriate adjustments to both the Company's additional paid-in capital and the corresponding non-controlling interest.

Use of Estimates and Assumptions

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company evaluates on an ongoing basis its assumptions. The Company's management believes that the estimates, judgments, and assumptions used are reasonable based upon information available at the time they are made.

These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of income and expenses during the reporting periods. Actual results could differ from those estimates. The Company has considered the following to be significant estimates made by management, including but not limited to, going concern assumptions, estimating the useful lives of fixed assets, realization of long-lived assets, unrealized tax positions, and the realization of digital currencies, valuing the derivative asset classified under Level 3 fair value hierarchy, business combinations and the contingent obligation with respect to future revenues.

Reclassifications

Certain reclassifications of prior period amounts have been made to conform to current period presentation.

Significant Accounting Policies Revenue recognition

Revenue Recognition – Digital currency mining revenue

The Company recognizes revenue under Accounting Standards Codification (“ASC”) ASC 606, *Revenue from Contracts with Customers*. The core principle of ASC 606 is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Five steps are required to be followed in evaluating revenue recognition: (i) identify the contract with the customer; (ii) identity the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price; and (v) recognize revenue when or as the entity satisfies a performance obligation.

In order to identify the performance obligations in a contract with a customer, a company must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets ASC 606’s definition of a “distinct” good or service (or bundle of goods or services) if both of the following criteria are met: the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct), and the entity’s promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

There is currently no specific definitive guidance in U.S. GAAP or alternative accounting frameworks for the accounting of digital currencies and management has exercised judgment in determining appropriate accounting treatment for the recognition of revenue for such operations.

The Company has entered into a contract with mining pools and has undertaken the performance obligation of providing computing power in exchange for non-cash consideration in the form of digital currency. The provision of computing power is the only performance obligation in the Company's contract with its pool operators. Where the consideration received is variable (for example, due to payment only being made upon successful mining), it is recognized when it is highly probable that the variability is resolved, which is generally when the digital currency is received.

The Company measures the non-cash consideration received at the fair market value of the digital currency received. Management estimates fair value on a daily basis, as the quantity of digital currency received multiplied by the price quoted on the crypto exchange that the Company uses to dispose of digital currency.

Revenue recognition – Co-location revenue

Co-location customers pay for energy used in connection with the customer co-location agreement on a pass-through basis, which may be on a fixed or variable basis calculated on the portion of energy used by the customer on the site. The Company additionally charges co-location fees for the use of the facilities, and other related fees. Revenue is typically received monthly from the customer based on the power usage at the rates outlined in each customer contract.

The customer contracts contain variable consideration to be allocated to and recognized in the period to which the consideration relates. Usually this is when it is invoiced, rather than obtaining an estimation of variable consideration at the beginning of the customer contracts.

Revenue recognition – Equipment sales

The Company had previously earned revenues from the sale of earlier generation digital currency mining units and modular data centers that have been assembled or refurbished for resale (collectively "Hardware"). Revenue from the sale of Hardware is recognized upon transfer of control of the Hardware to the customer. At the date of sale, the net book value is expensed in cost of revenues.

Revenue recognition – Net energy benefits

In exchange for powering down the Company's digital infrastructure and curtailing power usage in response to instances of high electricity demand, the Company receives net energy benefits from the grid.

Revenue for curtailing power is recognized over the period of time that the services are being provided. The Company estimates the amount of curtailable power and the expected payment for that curtailment and recognizes revenue based on the proportion of the service that has been provided. In this arrangement, the Company is considered the principal and revenue is recognized on a gross basis.

Revenue through the Company's power pricing arrangement is recognized over the period of time that the services are being provided. The Company estimates the amount of energy available for sale and the expected payment for that energy, and recognizes revenue based on the proportion of the service that has been provided. In this arrangement, the Company is considered the principal and revenue is recognized on a gross basis.

Equipment sales

The Company had previously earned revenues from the sale of earlier generation digital currency mining units, modular data centers or equipment that have been assembled or refurbished for resale (collectively, "Hardware"). Revenue from the sale of Hardware is recognized upon transfer of control of the Hardware to the customer. At the date of sale, the net book value is expensed in cost of revenues.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation. All other repair and maintenance costs are charged to operating expenses as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Property and equipment transferred from customers is initially measured at the fair value at the date on which control is obtained.

Property and equipment are depreciated on a straight-line or declining balance basis based on the asset classification, over their useful lives to the economic entity commencing from the time the assets arrive at their destination where they are ready for use. Low-cost assets are capitalized and immediately depreciated. Depreciation is calculated over the following estimated useful lives:

Asset class	**Useful life**	**Depreciation method Method**
Fixtures	5 years	Straight-Line
Plant and equipment	10 years	Straight-Line
Modular data center	5 years	Declining
Motor vehicles	5 years	Straight-Line
Computer equipment	3 years	Straight-Line
Computational and Processing machinery (Miners)	2 years	Straight-Line
Transformers	15 years	Straight-Line
Leasehold improvements	Shorter of useful life or lease term	Straight-Line

Property and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement.consolidated statement of operations.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Fair value of financial instruments:

The Company accounts for financial instruments under ASC 820, *Fair Value Measurements*. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 — observable inputs other than Level 1, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, and model-derived prices whose inputs are observable or whose significant value drivers are observable; and

Level 3 — assets and liabilities whose significant value drivers are unobservable. Observable inputs are based on market data obtained from independent sources, while unobservable inputs are based on the Company's market assumptions. Unobservable inputs require significant management judgment or estimation. In some cases, the inputs used to measure an asset or liability may fall into different levels of the fair value hierarchy. In those instances, the fair value measurement is required to be classified using the lowest level of input that is significant to the fair value measurement. Such determination requires significant management judgment.

	Fair value measured at September 30, 2023			
	Total fair value as at September 30, 2023	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative asset	$ 4,653,608	-	-	$ 4,653,608

	Fair value measured as of March 31, 2024			
	Total	Total Level 1	Total Level 2	Total Level 3
Derivative asset	$ 5,744,241	-	-	5,744,241

	Fair value measured at December 31, 2022			
	Total fair value as at December 31, 2022	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative asset	$ 11,299,971	-	-	$ 11,299,971
Marketable securities	$ 3,243,957	$ 3,243,957	$ -	$ -

	Fair value measured as of December 31, 2023			
	Total	Total Level 1	Total Level 2	Total Level 3
Derivative asset	$ 4,058,088	-	-	4,058,088

Level 3 Assets:

Power Supply Agreement

In June 2022, the Company entered into a Power Supply Agreement with Energy Harbor LLC, the energy supplier to the Company's Midland, Pennsylvania facility, to provide the delivery of a fixed portion of the total amount of electricity for a fixed price through to December 2026. There were three amendments to the contract with Energy Harbor LLC entered into in November 2023, December 2023, and January 2024, all the contracts were to purchase additional electricity at a fixed price for the months of December 2023 and January 2024. If the Midland, Pennsylvania facility uses more electricity than contracted, the cost of the excess is incurred at a new price quoted by Energy Harbor LLC.

While the Company manages operating costs at the Midland, Pennsylvania facility in part by periodically selling unused or uneconomical power back to the market, the Company does not consider such actions as trading activities. That is, the Company does not engage in speculation in the power market as part of its ordinary activities. Because the sale of any electricity under a curtailment program allows for net settlement, the Company has determined the Power Supply Agreement meets the definition of a derivative under ASC 815, *Derivatives and Hedging*. However, because the Company has the ability to sell the power back to the grid rather than take physical delivery, physical delivery is not probable through the entirety of the contract and therefore, the Company does not believe the normal purchases and normal sales scope exception applies to the Power Supply Agreement. Accordingly, the Power Supply Agreement (the non-hedging derivative contract) is recorded at estimated fair value each reporting period with the change in the fair value recorded in "change in fair value of derivative asset" in the consolidated statements of operations.

The Power Supply Agreement was classified as a derivative asset beginning in the quarter ended June 30, 2022, and measured at fair value on the date of Power Supply Agreement, with changes in fair value recognized in the accompanying unaudited condensed consolidated statements of operations. The estimated fair value of the Company's derivative asset is classified in Level 3 of the fair value hierarchy due to the significant unobservable inputs utilized in the valuation. Specifically, the Company's discounted cash flow estimation models contain quoted commodity exchange spot and forward prices and are adjusted for basis spreads for load zone-to-hub differentials through the term of the Power Supply Agreement, which expires in December 2026. In addition, the Company adopted a discount rate of approximately 20% above the terminal value of the observable market inputs, but also includes unobservable inputs based on qualitative judgment related to company-specific risk factors. The terms of the Power Supply Agreement require pre-payment of collateral, calculated as forward cost based on the market cost rate of electricity versus the fixed price stated in the contract.

Stock based compensation

The Company follows ASC 718-10, *Compensation-Stock Compensation*. The Company expenses stock-based compensation to directors, employees, and non-employees over the requisite service period based on the estimated grant-date fair value of the awards. The Company determines the grant date grant-date fair value of the restricted stock units ("RSUs") and options using the Black-Scholes option-pricing model. Trinomial Lattice Method. The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. These assumptions are the expected stock volatility, the risk–free interest rate, the expected life of the option, the dividend yield on the underlying stock and the expected forfeiture rate. Expected volatility computes stock price volatility over expected terms based on its historical common stock trading prices. Risk–free interest rates are calculated based on the implied yield available on of a U. S. 10-year 5-year United States Treasury constant maturity bond.

Digital currencies

Digital currencies are included in current assets in the consolidated condensed balance sheets. Digital currencies are classified as indefinite-lived intangible assets in accordance with ASC 350, *Intangibles – Goodwill and Other*, and are accounted for in connection with the Company's revenue recognition policy detailed above.

The following table presents the Company’s digital currency (bitcoin) activities for the three months month period ended March 31, 2024 and nine months ended September 30, 2023: 2023:

	Three months to September 30, 2023	Nine months to September 30, 2023	Three months to March 31, 2024	Three months to March 31, 2023
Opening number of bitcoin held as at June 30, 2023 and December 31, 2022	**0**	**0**		
Opening number of bitcoin held			**0.00**	**0.00**
Number of bitcoin received	245.65	548.38	140.20	121.11
Number of bitcoin sold	(245.65)	(548.38)	(140.20)	(120.09)
Closing number of bitcoin held as at September 30, 2023	**0**	**0**		
Closing number of bitcoin held			**0.00**	**1.02**

Digital currencies are not amortized but assessed for impairment annually, or more frequently, when events or changes in circumstances occur indicating that it is more likely than not that the indefinite-lived asset is impaired. Impairment exists when the carrying amount exceeds its fair value. In testing for impairment, the Company has the option to first perform a qualitative assessment to determine whether it is more likely than not that an impairment exists. If it is determined that it is not likely that an impairment exists, a quantitative impairment test is not necessary. If the Company concludes otherwise, it is required to perform a quantitative impairment test. To the extent an impairment loss is recognized, the loss establishes the new cost basis of the asset. Subsequent reversal of impairment losses is not permitted.

The Company’s policy is to typically dispose of bitcoin received from mining operations at the earliest opportunity, therefore the holding period is generally minimal, usually no more than a few days. Due to the short period for which bitcoin is held prior to sale and the consequent small numbers held, the risk of impairment is not material. No impairment charges have been recorded during the nine-month periods quarters ended September 30, 2023, March 31, 2024 and 2022. 2023.

Equity method investments

Equity investments are accounted for under the equity method if we are able to exercise significant influence, but not control, over an investee. Our share of the earnings or losses as reported by the investees is classified as income from equity investees on our consolidated condensed statements of operations. The investments are evaluated for impairment annually and when facts and circumstances indicate that the carrying value may not be recoverable. If a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded in our consolidated condensed statements of operations. During the quarter ending September 30, 2023, there was an impairment recognized on our investment in Tasmania Data Infrastructure Pty Ltd (“TDI”) of $1.84 million. The impairment was recognized on the basis of TDI’s updates and its strategic direction, including changing from becoming a bitcoin miner to mine copper and gold and therefore the value of the company was deemed much lower than our investment value.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) (FASB) or other standard setting bodies and adopted by the Company as of the specified effective date. For information with respect to recent accounting pronouncements, see Note 2 to Unless otherwise discussed, the consolidated financial statements for the Company as impact of December 31, 2022, included in the Company’s Annual Report on Form 10-K filed with SEC on March 23, 2023. Recent accounting pronouncements since recently issued standards that date include:

On January 1, 2023, the Company adopted Accounting Standards Update No. 2016-13, Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets. In April 2019, the FASB issued clarification to ASU 2016-13 within ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, or ASU 2016-13. The guidance is are not yet effective for the Company’s fiscal year ended December 31, 2023. The adoption of the standard had no will not have a material impact on the Company’s financial position or results of operations upon adoption.

In December 2023, the FASB issued ASU 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Topic 3580-60): Accounting for and Disclosure of Crypto Assets. Under the new guidance, an entity would be required to subsequently measure certain crypto assets at fair value, with changes in fair value included in net income in each reporting period. The proposed set of rules would also require presentation of crypto assets and related fair value changes separately in the balance sheet and income statement and require various disclosures in interim and annual periods. The Company does not expect the adoption of ASU 2023-08 to have a material impact on its consolidated financial statements.

statements since the Company’s policy is to dispose of bitcoin received from mining operations at the earliest opportunity, therefore the holding period is minimal, usually no more than a few days. ASU 2023-08 is effective for fiscal years beginning after December 15, 2024 and interim periods within those fiscal years. The Company will adopt ASU 2023-08 on January 1, 2025 .

NOTE 3 – SUBSIDIARY DECONSOLIDATION

Liquidation and Deconsolidation of an Australian entity MIG No.1

On March 19, 2024, the Company's subsidiary and an Australian entity, MIG No.1 was placed into an Australian court appointed liquidation due to it being deemed insolvent in Australia. The liquidation of an insolvent company in Australia allows an independent registered Australian liquidator (the liquidator) to take control of the Australian entity so its affairs can be wound up in an orderly and fair way and to benefit creditors. In July 2023, the FASB issued ASU update 2023-03—Presentation instance of Financial Statements (Topic 205), Income Statement—Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505) MIG No.1, it is an Australian court liquidation, where a liquidator is appointed by the Australian court to wind up a company following an application (by a creditor of MIG No.1). As a result of this the Company ceded authority for managing this Australian entity to the Australian liquidator, and the Company could not carry on MIG No.1's activities in the ordinary course of business. For these reasons, it was concluded that the Company had ceded control of MIG No.1, and no longer had significant influence over this Australian entity since the liquidator was in control of this Australian entity. Therefore, MIG No.1 loss of control was effective when it was placed into Australian court appointed liquidation on March 189, 2024, and Compensation—Stock Compensation (Topic 718): Amendments was deconsolidated at this date, in accordance with ASC 810-10-15. In order to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at deconsolidate this Australian entity, MIG No.1, the March 24, 2022 EITF Meeting, carrying values of the assets, liabilities and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280—General Revision equity components previously recognized in accumulated other comprehensive income of Regulation S-X: Income or Loss Applicable to Common Stock. The Company does not expect ASU 2023-03 to have a material impact on MIG No.1 were removed from the Company's consolidated financial statements or disclosures. balance sheet as of March 19, 2024, in accordance with ASC 810, *Consolidation*. The net impact of removing the assets and liabilities resulted in a loss on deconsolidation of $11.93 million being recorded in the condensed, consolidated statement of operations.

In August 2023,*Investment in the FASB issued ASU update 2023-04— Liabilities (Topic 405): Amendments Australian entity MIG No.1*

The investment in this Australian entity, MIG No.1, held by the Company was accounted for under ASC 321, *Investments — Equity Securities* as it was concluded the Company did not have significant influence over MIG No.1 from March 19, 2024. The fair value of MIG No.1 was estimated to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121. be $0, as at the time of the deconsolidation.

Treatment of intercompany balances

The Company does not expect ASU 2023-04 had total payables owed to MIG No.1 of $1.24 million. These payables have been treated as external payables from the date of liquidation, March 19, 2024.

MIG No.1 Secured Loan Facility Agreement

MIG No. 1 has a material impact on Secured Loan Facility Agreement with Marshall. The loan matured in February 2024 and the Company's consolidated financial statements or disclosures.

In August 2023, the FASB issued ASU update 2023-05— Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement. total outstanding balance is $9.09 million as of March 31, 2024. The Company does not expect ASU 2023-05 to have is a material impact on the Company's consolidated financial statements or disclosures.guarantor of this loan.

NOTE 3 4 – BASIC AND DILUTED NET LOSS PER SHARE

Net loss per common share is calculated in accordance with ASC 260, *Earnings Per Share*. Basic loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The computation of diluted net loss per share does not include dilutive common stock equivalents in the weighted average shares outstanding, as they would be anti-dilutive.

Securities that could potentially dilute loss per share in the future that were not included in the computation of diluted loss per share as at September 30, 2023, of March 31, 2024 and 2022 2023, are as follows:

	As at September 30,		As of March 31,	
	2023	2022	2024	2023
Warrants to purchase common stock	5,546,122	2,825,278	4,904,016	2,825,278
Options to purchase common stock	1,750,417	4,910	1,750,417	417
Restricted Stock-Units ("RSUs") issued under a management equity plan	5,660,426	420,914		
Restricted Stock-Units ("RSUs") issued under equity incentive plan(s)			8,823,321	303,450
	12,956,965	**3,251,102**	**15,477,754**	**3,129,145**

NOTE 4 5 – LEASES

The Company’s operating leases are for mining sites and its finance leases are primarily for related plant and equipment.

On February 2, 2024, the Company’s lease for a non-operating property in Sharon, Pennsylvania was terminated, and the Company exited the facility, which was a non-operating site for the Company.

The Company’s lease costs recognized in the Consolidated Condensed Statements consolidated condensed statements of Operations operations consist of the following:

	For the three months ended September 30,		For the nine months ended September 30,		March 31,	
	2023	2022	2023	2022	2024	2023
Operating lease charges [1]	$ 448,449	$ 438,444	$ 1,260,440	$ 1,239,614	$ 397,894	$ 407,212
Finance lease charges:						
Amortization of right-of-use assets	$ 8,143	$ 8,143	$ 24,430	$ 20,519	8,143	8,143
Interest on lease obligations	$ 1,799	$ 2,351	$ 5,820	$ 6,290	1,507	2,080

(1) Included in selling, general, and administrative expenses.

The following is a schedule of the Company's lease liabilities by contractual maturity as of September 30, 2023 March 31, 2024:

	Operating leases	Finance leases	Operating leases	Finance leases
Remainder of 2023	$ 499,282	$ 9,544		
2024	1,552,313	38,176	$ 920,838	$ 28,633
2025	599,356	38,176	325,554	38,176
2026	443,183	15,016	155,969	15,016
2027	72,652	-		
Total undiscounted lease obligations	3,166,786	100,912	1,402,361	81,825
Less imputed interest	(312,221)	(9,799)		
Less: imputed interest			(103,559)	(6,638)
Total present value of lease liabilities	2,854,565	91,113	1,298,802	75,187
Less current portion of lease liabilities	1,762,488	32,453		
Less: current portion of lease liabilities			888,637	33,677
Non-current lease liabilities	$ 1,092,077	$ 58,660	$ 410,165	$ 41,510

Other lease information as of September 30, 2023 and for the period ended March 31, 2024:

	Operating leases	Finance leases	Operating leases	Finance leases
Operating cash out flows from leases	$ 1,073,837	$ 28,632	$ 258,879	$ 9,544
Weighted-average remaining lease term (years)	2.21	2.64	1.48	2.15
Weighted-average discount rate (%)	8.9%	7.5%	10.00%	7.50%

NOTE 56 – PROPERTY AND EQUIPMENT

Property and equipment, net, consisted of the following:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Plant and equipment	$ 4,712,229	$ 4,263,662	$ 4,960,188	$ 4,973,191
Computer equipment	161,027	163,060	125,695	125,695
Furniture and fixtures	27,887	29,492		
Processing machines (Miners)	101,269,956	103,337,719	77,447,520	102,984,186
Modular data center	25,222,949	19,713,534	21,346,757	25,449,717
Motor vehicles	357,704	326,704		
Motor Vehicles			199,246	199,246
Transformers	9,892,254	4,596,892	9,344,544	9,843,359
Low-cost assets	1,151,741	995,292	976,717	998,815
Assets under construction	5,081,023	11,592,582	4,764,051	4,764,051
Leasehold improvements	487,528	487,527	487,527	487,527
Total	148,364,298	145,506,464	119,652,245	149,825,787
Less: Accumulated depreciation	(82,052,063)	(54,489,966)	(83,282,367)	(92,085,496)
Property and equipment, net	**$ 66,312,235**	**$ 91,016,498**	**$ 36,369,878**	**$ 57,740,291**

The Company incurred depreciation and amortization expenses expense in the amounts of $11.88 million $7.99 million and $16.25 million $7.96 million for the three-month period quarters ended September 30, 2023, March 31, 2024 and 2022, respectively. The Company incurred depreciation and amortization expenses in the amounts of $28.63 million and $46.06 million for the nine-month periods ended September 30, 2023, and 2022, 2023, respectively. There were no impairment charges recognized for property and equipment for either the nine-month quarter ended March 31, 2024, or 2023.

NOTE 7 – INCOME TAXES

The Company records income taxes using the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax effects attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases, and operating loss and tax credit carryforwards. The Company establishes a valuation allowance if management believes it is more likely than not that the deferred tax assets will not be recovered based on an evaluation of objective verifiable evidence. Management has considered the Company's history of book and tax income and losses incurred since inception, and the other positive and negative evidence, and has concluded that it is more likely than not that the Company will not realize the benefits of the net deferred tax assets as of March 31, 2024.

The Company recorded income tax expense of approximately 0.30% and 0.0% of loss before income tax expense for the three-month periods ended September 30, 2023 March 31, 2024 and 2023, respectively.

	For the three months ended March 31,	
	2024	2023
Effective income tax rate	0.30 %	0.00 %

As of March 31, 2024, the Company had no unrecognized tax benefits and 2022. does not anticipate any significant change to the unrecognized tax benefit balance.

NOTE 6 – INCOME TAXES

The Company's effective tax rate is calculated by dividing the total income tax expense by the sum of income before the income tax expense and the net income attributable to noncontrolling interests. The Company has maintained a full valuation allowance for federal and the majority of its state jurisdictions.

	For the three months ended September 30,	
	2023	**2022**
Effective income tax rate	0.00 %	0.00 %
	For the nine months ended September 30,	
	2023	**2022**
Effective income tax rate	0.00 %	0.00 %

The Company's effective tax rate is calculated by dividing the total income tax expense by the sum of income before the income tax expense and the net income attributable to noncontrolling interests. The Company has maintained a full valuation allowance for federal and the majority of its state jurisdictions.

NOTE 7 8 – BORROWINGS

Marshall loan

In December 2021, the Company's subsidiary and an Australian entity, MIG No. 1 Pty Ltd entered into a Secured Loan Facility Agreement with Marshall Investments MIG Pty Ltd. The loan matures matured in February 2024 and bears interest at a rate of 12% per annum (with an overdue rate provision of an additional 500bps), payable monthly with interest payments commencing that commenced in December 2021. This loan facility is secured by direct assets of MIG No.1 Pty Ltd and a general security agreement given by the Company. Principal repayments began during November 2022. The loan matures in February 2024 and the total outstanding balance including interest is $8.05 million $9.09 million as at September 30, 2023 and of March 31, 2024, all of which is classified as a current liability accordingly. liability. MIG No. 1 Pty Ltd has not made a principal or and interest payment since May 2023. MIG No. 1 Pty Ltd and Marshall are in ongoing discussions with respect to the loan and payment, and the loan terms generally. Marshall and MIG No. 1 Pty Ltd have each reserved their rights. On March 19, 2024, the Company's subsidiary and Australian entity Mig No.1 Pty Ltd was placed into an Australian court appointed liquidation and wind-up process and was deconsolidated for the Group from this date, refer to note 3. On March 19, 2024, Marshall appointed receivers and managers in Australia under the terms of their security relating to their secured loan facility. The direct assets that secure this loan include 5,372 miners and 8 modular data centers ("MDCs"), these assets are held by the MIG No.1 and therefore were included in the deconsolidation. The receiver's statutory duty includes the obligation to sell the secured assets at market value or, if market value is not known, at the best price reasonably obtainable to maximize the prospects of there being sufficient proceeds available to satisfy the balance of the outstanding secured debt. It is therefore expected that this loan balance will be offset in the future by the amount received from the sale of these miners and MDCs.

Celsius loan

On February 23, 2022, Luna Squares LLC entered into a Co-location Co-Location Agreement with Celsius Mining LLC. In connection with this agreement, Celsius Mining LLC loaned Luna Squares LLC a principal amount of $20 million, for the purpose of funding the infrastructure required to meet the obligations of the Co-Location Agreement, for which Luna Squares LLC issued a Secured Promissory Note for repayment of such amount. The Secured Promissory Note accrues interest daily at a rate of 12% per annum (with an overdue rate provision of an additional 200bps), and . Luna Squares LLC is required to amortize the loan at a rate of 15% per quarter. Repayments to the quarter, principal amount repayments began at the end of September 2022. The Secured Promissory Note matured and became due has a maturity date of August 23, 2023, and the total outstanding balance including interest is $8.82 million as of September 30, 2023 is $8.24 million March 31, 2024, all of which is classified as a current liability. Celsius Mining LLC transferred the benefit of the promissory note to Celsius Network Ltd. Celsius Mining LLC and Celsius Network Ltd filed for Chapter 11 bankruptcy protection on July 13, 2022. Under the Co-location Agreement, Celsius Mining LLC advanced $15.33 million to Luna that were held as a deposit. Whether that amount has been forfeited or must be returned to Celsius Mining LLC is the subject of a dispute between the parties. As of May 1, 2024 and pursuant to a court order dated April 22, 2024, the Celsius civil lawsuit against Luna and Mawson has been dismissed pursuant to the Company's successful motion to compel arbitration. Currently, no arbitration proceedings or further appeals have been filed by either party.

W Capital loan

On September 2, 2022, Mawson AU entered into The Company is the guarantor on a Secured Loan Facility Agreement for working capital by Mawson Infrastructure Group Pty Ltd with W Capital Advisors Pty Ltd with a total loan facility Ltd. As of AUD$3.00 million (USD$1.9 million). This was amended on September 29, 2022 March 31, 2024, and the loan facility was increased to AUD$8.00 million (USD$5.2 million). During the nine-month period ending September 30, 2023, the Company received AUD$3.00 million (USD$1.99 million) from this loan facility. As at September 30, 2023, AUD$1.51 million (USD$0.97 million) AUD $1.77 million (USD $1.13 million) has been drawn down from this facility, all of which is classified as a current liability. The Secured Loan Facility accrues interest daily at a rate of 12% per annum (with an overdue rate provision of an additional 800bps) and is paid monthly. Principal repayments are paid ad hoc in line with the loan facility agreement. The Secured Loan Facility expired in March 2023. This Secured Loan facility Agreement was originally with Mawson Infrastructure Group Pty Ltd and this Australian entity was placed into Australian voluntary administration on October 30, 2023 and on November 3, 2023, W Capital Advisors Pty Ltd appointed receivers and Mawson AU have each reserved managers in Australia under the terms of their rights. On October 30, 2023, the directors of Mawson AU appointed voluntary administrators security relating to Mawson AU, and all of Mawson AU's debts including the Secured Loan Facility will be managed as part of the voluntary administration. their working capital facility.

Convertible notes

On July 8, 2022, the Company issued secured convertible promissory notes to investors in the aggregate principal amount of $3.60 million (the “Secured Convertible Promissory Notes”) in exchange for an aggregate of $3.6 million in cash. On September 29, 2022, The outstanding balance relates to the Company entered into a letter variation relating to some of interest on the Secured Convertible Promissory Notes, with an aggregate principal amount of $3.1 million, which gave those holders the option to elect for pre-payment (including accrued interest to maturity) subject to certain conditions. All of the investors included in this letter variation elected for the pre-payment option and therefore there were $3.1 million principal repayments made during November 2022. The final convertible noteholder (W Capital Advisors Pty Ltd) who was not a party to this variation opted to enter into an arrangement whereby it received pre-payment of interest but agreed that the principal amount of $0.50 million was not immediately required to be repaid. The convertible note matured in July 2023 and the Company is in ongoing discussions with the noteholder regarding a resolution. W Capital Advisors Pty Ltd and MIG Inc have each reserved their rights. Interest which has been accrued from July 2022 onwards and therefore the outstanding balance is $0.53 million $0.91 million as at September 30, 2023 of March 31, 2024, all of which is classified as a current liability.

NOTE 8 – STOCKHOLDERS’ EQUITY

Stock-Based Compensation:

Equity plans

Under the 2018 Equity Plan, the number of shares issuable under the Plan on the first day of each fiscal year increase by an amount equal to the lower of (i) 100,000 shares (after a later 10 for 1 stock split) or (ii) 5% of the outstanding shares on the last day of the immediately preceding fiscal year. As of September 30, 2023, there were no shares issuable under the 2018 Equity Plan until it automatically replenishes on January 1, 2024.

At the Company’s annual meeting on May 17, 2023, the stockholders approved an amendment to the 2021 Equity Plan that, amongst other things, increased the number of the shares available under the 2021 Equity Plan to 10,000,000 shares. As of September 30, 2023, the number of shares reserved under the 2021 Equity Plan was 5,217,548.

The Company recognized stock-based compensation expense during the three and nine months ended September 30, 2023, and 2022 as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Performance-based restricted stock awards*	$ (812,901)	$ 163,865	$ (479,343)	$ 517,789
Service-based restricted stock awards	4,096,717	133,465	4,146,709	439,052
Stock issued to consultants	-	-	307,069	-
Common stock warrant expense	500,500	500,500	1,501,500	1,167,833
Total stock-based compensation	**$ 3,784,316**	**$ 797,830**	**$ 5,475,935**	**$ 2,124,674**

* The performance-based restricted stock awards contain reversal of share-based payment expenses from 2021 onwards for forfeited awards due to staff departures.

Performance-based awards

Performance-based awards generally vest over a three-year performance period upon the successful completion of specified market and performance conditions.

The following table presents a summary of the Company’s performance-based awards restricted stock awards activity:

	Number of shares	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2022	342,310	8.33
Issued	-	
Exercised	(100,000)	
Expired/forfeited	(66,765)	
Outstanding as of September 30, 2023	175,545	8.41
Exercisable as of September 30, 2023	144,327	6.65

As of September 30, 2023 NOTE 9 – STOCKHOLDERS' EQUITY

Common Stock

During the quarter ended March 31, 2024, there was approximately $0.18 million of unrecognized compensation cost related to the performance-based awards, which is expected to be recognized over a remaining weighted-average vesting period of approximately one year. no movement in common stock.

Service-based restricted stock awards

Service-based awards generally vest over a one-year service period.

The following table presents a summary of the Company's service-based awards activity:

	Number of shares	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2022	74,246	8.42
Issued	6,143,346	
Exercised	(77,092)	
Expired/forfeited	(655,619)	
Outstanding as of September 30, 2023	5,484,881	2.47
Exercisable as of September 30, 2023	233,014	0.07

As of September 30, 2023, there was approximately $5.56 million of unrecognized compensation cost related to the service-based restricted stock awards, which is expected to be recognized over a remaining weighted-average vesting period of approximately six months.

Stock options awards

Stock options awards vest upon the successful completion of specified market conditions.

The following table presents a summary of the Company's Stock options awards activity:

	Number of shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2022	417	$ 35.90	1.26
Issued	1,750,000	1.89	
Exercised	-	-	
Expired	-	-	
Outstanding as of September 30, 2023	1,750,417	$ 1.90	9.75
Exercisable as of September 30, 2023	417	$ 35.90	1.26

The options have no intrinsic value as of Sept 30, 2023 or Dec 31, 2022.

Common Stock Warrants

A summary of the status of the The Company's outstanding stock warrants and changes have not changed during the nine three months ended September 30, 2023 March 31, 2024. The outstanding stock warrants as of March 31, 2024 are 4,904,016 with a weighted average remaining contractual life (in years) of 3.40 and a weighted average exercise price of $11.07, all of which are exercisable.

Stock-Based Compensation:

Equity plans

Under the 2018 Equity Plan, the number of shares issuable under the Plan on the first day of each fiscal year increase by an amount equal to the lower of (i) 100,000 shares (after a later 10 for 1 stock split) or (ii) 5% of the outstanding shares on the last day of the immediately preceding fiscal year. At the Company's annual meeting on May 17, 2023, is the stockholders approved an amendment to the 2021 Equity Plan that, amongst other things, increased the number of the shares available under the 2021 Equity Plan to 10,000,000 shares, and the shares available under the 2021 Equity Plan increased by 1,000,000 shares on January 1, 2024 to 11,000,000. Upon review of the previously granted shares in previous years and the availability of shares, on April 9, 2024, the Board of Directors approved the 2024 Omnibus Equity Plan which will provide an initial 10,000,000 shares of common stock available for grant per the terms of the 2024 Plan and provides alignment with long-term stockholder value creation. The 2024 Omnibus Equity Plan as approved by the Board of Directors has subsequently been presented to the stockholders for adoption and approval at the Company's annual general meeting to be held on June 12, 2024.

The Company recognized stock-based compensation expense during the three months ended March 31, 2024 and 2023, as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2022	2,825,278	4.17	3.54
Issued	2,967,512	-	-
Exercised	(246,668)	-	-
Expired	-	-	-
Outstanding as of September 30, 2023	5,546,122	$ 14.31	3.44
Warrants exercisable as of September 30, 2023	5,546,122	$ 14.31	3.44

	Three months ended March, 2024	Three months ended March, 2023
Performance-based restricted stock awards	$ 55,983	$ 166,779
Service-based restricted stock awards	6,180,528	29,995
Stock issued to consultants	-	371,014
Warrant expense	-	500,500
Option expense*	(1,335,027)	-
Total stock-based compensation**	$ 4,901,484	$ 1,068,288

* The option expense contains a reversal of stock-based compensation expenses from 2023 for cancelled option awards.

** Stock based compensation expense in the consolidated, condensed unaudited statement of operations includes $3.97 million of stock based compensation and $0.93 million for surrendered shares.

Performance-based awards

Performance-based awards generally vest over a three-year performance period upon the successful completion of specified market and performance conditions.

The Company's outstanding performance-based restricted stock awards have not changed during the three months ending March 31, 2024. The outstanding performance-based restricted stock awards as of March 31, 2024 are 75,545, with a weighted average remaining contractual life (in years) of 8.33. Of these awards 44,327 are exercisable as of March 31, 2024 and have a weighted average remaining contractual life (in years) of 4.45.

As of September 30, 2023 March 31, 2024, there was approximately $0.33 million $0.06 million of unrecognized compensation cost related to the warrants issued performance-based awards, which is expected to be recognized over a remaining weighted-average vesting period of approximately three four months.

Common Stock

During the quarter ended September 30, 2023, there were exercises of restricted stock units and common stock options into 63,334 shares of common stock of the Company.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Company is currently in the process of applying for sales tax registrations and exemptions in different states in the U.S. At this stage, the Company is unable to determine the financial impact of sales tax.

The determination of tax liabilities involves significant judgement as well as the application of complex tax laws and regulations. As of the reporting date, certain income tax matters are uncertain and cannot be reliably estimated for the subsidiaries under both the U.S. and Australian tax jurisdictions for the current and prior periods. The Company has not recorded any tax liabilities or benefits pertaining to these subsidiaries for the period.

Mr. James Manning who stepped down as Chief Executive Officer of the Company, effective May 22, 2023, had agreed with Mawson AU that he would be issued 1.35 million RSUs and his other RSU agreements and entitlements would be cancelled, as set forth in the Company's Current Report on Form 8-K filed May 22, 2023. However, at the request of Mr. James Manning these RSUs were not issued as set out in the relevant agreement and have not been included in the above table. Mr. James Manning has subsequently demanded these RSUs be issued, but as at the date of this report, the Company has not done so, because the Company is not obligated to issue the RSUs. The Company's board of directors are also considering issues and matters concerning and related to Mr. Manning and the relevant action(s) to be taken. The directors of Mawson AU have appointed administrators to Mawson AU. Voluntary administration is a process under Australian corporate law where an external administrator is appointed to take control of the relevant entity, investigate and report to creditors about the relevant entity's business, property, affairs and financial circumstances, and report on the options available to creditors.

NOTE 10 – RELATED PARTY TRANSACTIONS

Mawson executive management and the board are in the process of winding down services that are or were provided by previously related parties. During the current quarter, Mawson has ended the services described below, in relation to office costs, tax advisory services, accounting labor services, executive employment, vehicle services and freight services, and has engaged non-related third parties where required to provide those services going forward. The lease with respect to the property in the City of Sharon entered into by Luna Squares Property LLC with Vertua Property Inc, cannot be exited at this time and going forward will not be considered a related party transaction.

On March 16, 2022, Luna Squares LLC entered into a lease with respect to a property in the City of Sharon, Mercer County, Pennsylvania with Vertua Property, Inc, a subsidiary entity in which Vertua Ltd has a 100% ownership interest. James Manning, a significant stockholder of the Company and also a former executive officer and director of the Company, is also a director of Vertua Ltd and has a material interest in the Sharon lease as a large stockholder of Vertua Ltd. The lease is for a term of five years, and Luna Squares LLC has two options to extend for five years each. Rent is subject to annual increases equal to the amount of the Consumer Price Index for the Northeast Region, or 4%, whichever is higher. The base rental amount in the first year is $0.24 million. Depending on power energization and usage, variable additional rent may be payable, with charges ranging from $500 to $10,000 per month, depending on power energized and whether it is available.

During the nine-month period ended September 30, 2023 and 2022, Mawson AU paid Vertua Limited $155,230 and $168,084 respectively, for office costs charged with a mark-up. Mr. James Manning, a former director and executive officer, and a significant stockholder of the Company, is also a director of Vertua Ltd. Manning family members also own interests in Vertua Ltd.

During the nine-month period ended September 30, 2023 and 2022, Mawson AU paid First Equity Tax Pty Ltd $56,036 and $16,367 respectively, for tax advisory services. Mr. James Manning, a former director and executive officer, and a significant stockholder of the Company, has interests in and is also a partner of First Equity Tax Pty Ltd.

During the nine-month period ended September 30, 2023 and 2022, Mawson AU paid First Equity Advisory Pty Ltd $79,818 and $28,758 respectively, for accounting labor services. Mr. James Manning, a former director and executive officer, and a significant stockholder of the Company, has interests in First Equity Advisory Pty Ltd.

During the nine-month period ended September 30, 2023 and 2022, Mawson AU paid Defender Investment Management Pty Ltd $362,770 and $248,110 respectively, in lieu of paying Mr. Manning directly for his employment. These payments were disclosed in the Executive Summary Compensation table in the Company's 2022 and 2023 Proxy Statements. Mr. James Manning, a former director and executive officer, and a significant stockholder of the Company, and is a director of Defender Investment Management Pty Ltd. Manning family members have equity interests in and control Defender Investment Management Pty Ltd.

During the nine-month period ended September 30, 2023 and 2022, Mawson AU paid Manning Motorsports Pty Ltd $35,495 and $60,570 respectively, for vehicle services. James Manning, a former director and executive officer, and a significant stockholder of the Company, has direct interests in and is a director of Manning Motorsports Pty Ltd.

DuringService-based restricted stock awards

Service-based awards generally vest over a specified time period and as determined by the nine-month period ended September 30, 2023 and 2022, Mawson AU paid International Cargo Solutions, a division of Flynt ICS Pty Ltd, $973,059 and $4,616,588 respectively, for freight services. Manning Capital Holdings Pty Ltd, a company associated with Mr. Manning may have had debt interests in Flynt ICS Pty Ltd. Vertua Ltd entered into an agreement to acquire International Cargo Solutions, a division of Flynt ICS Pty Ltd in October 2022. The transaction closed on September 30, 2023. Mr. James Manning, a former director and executive officer, and a significant stockholder Compensation Committee of the Company, is also Board of Directors and/or as specified in the award agreements or employment agreements.

The following table presents a director summary of Vertua Ltd. Manning family members own interests in Vertua Ltd. the Company's service-based awards activity:

	Number of shares	Weighted Average Remaining Contractual Life (in years)
Outstanding as of December 31, 2023	5,242,393	2.28
Issued	3,505,383	-
Outstanding as of March 31, 2024	8,747,776	1.43
Exercisable as of March 31, 2024	1,499,030	0.02

There may be additional As of March 31, 2024, there was approximately $2.88 million of unrecognized compensation cost related party transactions. Mr. James Manning has not signed a declaration of related party transactions to the Company's satisfaction at service-based restricted stock awards, which is expected to be recognized over a remaining weighted-average vesting period of approximately eleven months.

Stock options awards

Stock options awards vest upon the time successful completion of this filing. specified stock price threshold conditions.

The following table presents a summary of the Company's Board Audit and Risk Committee commenced an investigation into the these and other potential Stock options awards activity:

	Number of shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	3,500,417	$ 1.23	9.70	$ 6,923,000
Cancelled	(1,750,000)	0.94	-	-
Outstanding as of March 31, 2024	1,750,417	$ 0.56	9.65	$ 1,708,000
Exercisable as of March 31, 2024	417	$ 0.01	-	$ -

As of March 31, 2024, there was approximately $0.54 million of unrecognized compensation cost related party transactions relating to Mr. James Manning, including but not limited to Mr. Manning's failure to appropriately disclose certain transactions, late or incomplete disclosure of certain transactions, and a failure to confirm to the Company's satisfaction that the disclosures made were complete. The Board Audit and Risk Committee makes recommendations stock options awards, which is expected to the board or the Company's other committees about the findings be recognized over a remaining weighted-average vesting period of the investigation, and any further actions that are advisable or necessary. approximately eight months.

NOTE 11 10 – SUBSEQUENT EVENTS

On October 12, 2023, Mawson Hosting, LLC (the "Service Provider"), and a wholly-owned subsidiary of Consensus Technology Group LLC, Consensus Colocation PA LLC (the "Customer"), executed a Service Framework Agreement for the provision of certain co-location services (the "Agreement"). In accordance with the terms of the Agreement, Service Provider will provide Customer with co-location services for approximately 50MW at Service Provider's Midland PA site. The Agreement provides for Service Provider to provide co-location services to Customer for 12 months and the parties can extend further upon mutual agreement. Customer will provide 15,876 new bitcoin mining servers. Customer has agreed to provide a cash deposit and power prepayments based on estimated power usage. Service Provider will pass through power costs to the Customer, which will be fixed for ten (10) months of the year, and at market prices for the remainder of the year.

On October 30, 2023 April 23, 2024, the directors of Company's subsidiary and an Australian entity Mawson AU Pty Ltd was placed into an Australian court appointed liquidation and wind-up process.

On April 29, 2024, the Company's subsidiary and an Australian entity Mawson Services Pty Ltd was placed into an Australian court appointed liquidation and wind-up process.

On April 19, 2024, a civil suit entitled "Blockware Solutions, LLC v. Mawson Bellefonte LLC and Mawson Infrastructure Group, Pty Ltd (" Inc." was filed in the US District Court, Southern District of New York under Civil Action No. 1:24-cv-02976 with the plaintiff claiming alleged merchandise price and incidental damages of $115,500, alleged consequential damages due to lost profits of $358,689, and other alleged non-specified damages, for alleged claims of non-payment. Mawson AU") appointed voluntary administrators to that company. Voluntary administration Bellefonte, LLC is a process under Australian corporate law where an external administrator is appointed to take control Delaware subsidiary of the relevant entity, investigate and report to creditors about the relevant entity's business, property, affairs and financial circumstances, and report on the options available to creditors. The voluntary administrators issued their first report to creditors on October 31, 2023, Company. Mawson Bellefonte and the first meeting of creditors is scheduled Company intend to take place on November 8, 2023. Only Mawson AU has been placed into voluntary administration. The only subsidiaries of Mawson AU at the time of the appointment of the voluntary administrators were Cosmos Trading Pty Ltd and Cosmos Manager LLC. Neither of those companies are operating or trading companies, and they do not have any material assets, other than intercompany loans. Cosmos Trading Pty Ltd, Cosmos Infrastructure LLC, Mawson Infrastructure Group Inc, and Luna Squares LLC are all creditors of Mawson AU, and are owed approximately AUD$78 million (US$50.19 million) by Mawson AU. The directors of Mawson AU, who were appointed defend against these alleged claims made related to the board of the Australian entity MIG Pty Ltd on September 4, 2023, having undertaken a review of the financial position of Mawson AU formed the view that a voluntary administration of MIG Pty Ltd was the most prudent course of action, and given certain likely material income and other tax exposures as well as the expired Secured Loan Facility with W Capital, and other trade payables. On November 3, 2023, W Capital Advisors appointed receivers and managers under the terms of their security relating to their working capital facility. this matter.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations analyzes the major elements of our balance sheets, statements of operations and cash flows. The following discussion and analysis of our financial condition and results of operations should be read together with the interim condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023. All amounts are in U.S. dollars.

Throughout this report, unless otherwise designated, the terms "we," "us," "our," the "Company," "Mawson," "our company" and the "combined company" refer to Mawson Infrastructure Group Inc., a Delaware corporation, and its direct and indirect subsidiaries, including Mawson Infrastructure Group Pty Ltd, an Australian company ("Mawson AU"), Cosmos Trading Pty Ltd, Cosmos Infrastructure LLC, Cosmos Manager LLC, Cosmos MIG No.1 Pty Ltd (on March 19, 2024, MIG No.1 Pty Ltd was placed into a court appointed liquidation and wind-up process), MIG No.1 LLC, Mawson AU Pty Limited (on April 23, 2024, Mawson AU Pty Ltd was placed into a court appointed liquidation and wind-up process), Mawson Services Pty Ltd (on April 29, 2024, Mawson Services Pty Ltd was placed into a court appointed liquidation and wind-up process), Mawson Bellefonte LLC, Luna Squares Texas, LLC, Luna Squares Repairs LLC, Luna Squares Property LLC, Mawson Midland LLC, Mawson Ohio LLC, Mawson Hosting LLC and Mawson Mining LLC.

Cautionary Note Regarding Forward-Looking Statement Notice Statements

This Quarterly Report on Form 10-Q contains forward-looking statements, about our expectations, beliefs or intentions regarding, among other things, our product development efforts, business, financial condition, results of operations, strategies or prospects. In addition, from time to time, our representatives have made or may make forward-looking statements, orally or in writing. Forward-looking statements can be identified by the use of forward-looking words such as "believe," "expect," "intend," "plan," "may," "believe", "expect", "intend", "plan", "may", "should", "could" or "anticipate" or their negatives or other variations of these words or other comparable words or by the fact that these statements do not relate strictly to historical or current matters. These forward-looking statements may be included in, but are not limited to, various filings made by us with the SEC, United States Securities and Exchange Commission (the "SEC"), press releases or oral statements made by or with the approval of one of our authorized executive officers. Forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements, including, but not limited to, the risk factors summarized below.

This report identifies important factors which could cause our actual results to differ materially from those indicated by the forward-looking statements, particularly those set forth under Item 1A. "Risk Factors" below.

Such The risk factors included in this Quarterly Report on Form 10-Q are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Given these uncertainties, readers you are cautioned not to place undue reliance on such forward-looking statements.

The following important factors, among others, could affect future results and events, causing those results and events to differ materially from those expressed or implied in our forward-looking statements:

- continued evolution and uncertainty related to growth in blockchain and bitcoin usage;
- high volatility in bitcoin and other digital assets' prices and in value attributable to our business;
- our need to, and difficulty in, raising additional capital; debt or equity capital and the availability of financing opportunities;

- failure to maintain required compliance to remain eligible for the most cost-effective forms of raising additional equity capital;
- impact of the bitcoin halving event;
- downturns in the Cryptocurrency cryptocurrency industry;
- inflation;
- increased interest rates;
- the inability to procure needed hardware;
- the failure or breakdown of mining equipment, or internet connection failure;

- access to reliable and reasonably priced electricity sources;
- Cyber-security our reliance on key management personnel and employees;
- cyber-security threats;
    - operational, maintenance, repair, safety, and construction risks;
    - our ability to obtain proper insurance;
    - construction risks;
    - banks and other financial institutions ceasing to provide services to our industry.industry;
    - adverse actions by creditors, debt providers, or other parties;
    - changes to the Bitcoin network's protocols and software;
    - the decrease in the incentive or increased difficulty to mine bitcoin; Bitcoin;
    - the increase of transaction fees related to digital assets:
    - the fraud or security failures of large digital asset exchanges;
    - future digital asset, technological and digital currency development; and
- our ability to develop and execute on our business strategy and plans;
- the regulation and taxation of digital assets like bitcoin; Bitcoin;
    - our ability to timely and effectively implement controls and procedures required by Section 404 of the Sarbanes-Oxley Act of 2002; and
    - material litigation, investigations, or enforcement actions, including by regulators and governmental authorities, as disclosed in the legal proceedings section and elsewhere. authorities.

Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to, the risk factors set out in Item 1A. Risk Factors**.**

All forward-looking statements attributable to us or persons acting on our behalf speak only as of the date of this report and are expressly qualified in their entirety by the cautionary statements included in this report. Except as required by applicable law, we do not We undertake no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. In evaluating forward-looking statements, you should consider these risks and uncertainties.

Company Overview

Mawson Infrastructure Group Inc. (the “Company” or “Mawson” or “we” (“Mawson,” the “Company,” “we,” “us,” and “our”) is a digital infrastructure company headquartered in the United States.

Mawson is a corporation incorporated in Delaware in 2012. On March 9, 2021, the Company acquired the shares of Cosmos Capital Limited in a stock for stock exchange. This transaction has been accounted for as a reverse asset acquisition. Mawson was previously known as Wize Pharma Inc, and changed its name on March 17, 2021. Shares of Mawson’s common stock, par value $0.001 per share (“Common Stock”) have been listed on The Nasdaq Capital Market since September 29, 2021.

The Company has 3 primary businesses – digital currency mining, or Bitcoin self-mining, co-location and related services, and energy management. markets.

The Company develops and operates digital infrastructure for digital currency, such as bitcoin, mining activities on the Bitcoin blockchain network. The Company also provides digital infrastructure services for its co-location customers that use computational machines to mine bitcoin through our data centers and the Company charges for the use of its digital infrastructure and related services. The Company also has an energy management markets program through which it can receive net energy benefits in exchange for curtailing the power we utilize the Company utilizes from the grid in response to instances of high electricity demand.

The Company may also transact in digital currency mining, data center infrastructure and related equipment on a periodic basis, subject to prevailing market conditions.

The Company designs, develops, operates, and manages its digital infrastructure to responsibly support the Bitcoin network by contributing to the scale, structure, and decentralization of the Bitcoin network and optimizing energy consumption. The Company helps contribute to the ecosystem and growth of digital currencies and commodities as there continues to be a global transition to the new digital economy.

We strive The Company strives to operate and invest in markets and communities that offer low or zero carbon renewable energy sources and participate in energy management activities. We also invest The Company invests in the communities in which we operate the Company operates and also support our broader ecosystem.

Recent Developments

On August 22, 2023, Mr. James Edward Manning resigned as a director of Mawson Infrastructure Group Inc. ("the Company"). Mr. Manning resigned from his role as the sole director of the Company's Australian subsidiaries effective September 4, 2023.

On September 28, 2023, the Board of Directors of the Company announced Mr. Ryan Costello, former United States Congressman from Pennsylvania, to serve as member of the Board of Directors effective October 2, 2023. Mr. Costello will serve on the Board until the Company's 2024 annual meeting of stockholders at which time he will stand for election alongside the Company's current directors. The Board has also appointed Mr. Costello to serve as a member of the Audit, and Nominating and Corporate Governance Committees, and chair of the Compensation Committee. Mr. Costello's appointment was decided upon after seeking a nomination and recommendation from the Company's Nominating and Corporate Governance Committee. The Board has determined that Mr. Costello qualifies as "independent" in accordance with the published listing requirements of NASDAQ.

On October 4, 2023, the company received written notice ("The Bid Price Letter") from The Nasdaq Stock Market LLC ("Nasdaq") indicating that the Company is not in compliance with the $1.00 minimum bid price requirement for continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule"). In accordance with Nasdaq Listing Rule 5810-2(c)(3)(A), the Company has a period of 180 calendar days, or until April 1, 2024, to regain compliance with the Bid Price Rule. To regain compliance, the closing bid price of the Company's common stock must meet or exceed $1.00 per share for a minimum of ten consecutive business days during this 180-day period. The Bid Price Letter is a notice of deficiency, not delisting, and does not currently affect the listing or trading of shares of our common stock on Nasdaq, which will continue to trade under the symbol "MIGI." The Company intends seeks to actively monitor the closing bid price of shares of its common stock power our operations and may, if appropriate, consider implementing available options to regain compliance facilities with the Bid Price Rule. If the Company does not regain compliance within the allotted compliance periods, including any extensions that may be granted by Nasdaq, Nasdaq will provide notice that the Company's common stock will be subject to delisting. The Company would then be entitled to appeal that determination to a Nasdaq hearings panel.

Environment, Sustainability, Governance

The Company has a strategy to source renewable or sustainable sources of energy, including carbon-neutral or low carbon emissions sources for the majority of its operations. These are key criteria when analyzing a new site for acquisition, lease or selling an existing site. power to further support our sustainability priorities.

The Company believes it can make may also operate in related and adjacent businesses, including transacting in new and used crypto-currency mining and modular data centers ("MDCs") or other equipment on a positive contribution towards lowering carbon emissions by supporting carbon neutral or low-emissions power sources. periodic basis, subject to prevailing market conditions and any surplus the Company may be experiencing.

The Company can provide, and has provided, electricity grid stability by curtailing its power usage during times of high-power demand through its Energy Markets Program, for example through its membership in the PJM Market, and various demand response programs as and where they are available.

The Company also invests and supports the communities in which we operate and support our broader ecosystem.

Results***Recent Developments***

On February 2, 2024, the Company's lease for a non-operational site in Sharon, Pennsylvania was terminated, and the Company exited the facility, which was a non-operating site.

Mr. James Manning, a former director and executive of Operations – Three months Ended September 30, 2023 compared the Company, who stepped down as Chief Executive Officer of the Company effective May 22, 2023, had entered into an agreement with Mawson AU that he would be issued 1.35 million restricted stock units ("RSUs") and his other RSU agreements and entitlements would be cancelled, as set forth in the Company's Current Report on Form 8-K filed May 25, 2023. The Company's Audit Committee ("Audit Committee") of the Board of Directors ("Board") commenced an investigation in the third quarter of 2023 into potential related party transactions involving Mr. Manning, including but not limited to Mr. Manning's failure to appropriately and fully disclose certain related party transactions, late or incomplete disclosure of certain transactions, and a failure to confirm to the three months ended September 30, 2022 Company's satisfaction that the disclosures made about related party transactions were complete. Following the investigation, the Audit Committee reported its initial findings to the Board on February 15, 2024. Based on the information obtained to date and Mr. Manning's repeated refusal to either provide a full and complete disclosure of his related party transactions (or confirm the accuracy of prior related party disclosures provided to the Company), the Audit Committee determined that there is a prima facie basis to conclude that Mr. Manning did not fully and properly disclose his related party transactions to the Company. Based on this determination, the Board resolved on February 19, 2024, that certain RSUs, payments, and other equity grants provided for in Mr. Manning's May 2023 Separation Agreement should not be issued by the Company.

	For the three months ended September 30,	
	2023	**2022**
Revenues:		
Digital currency mining revenue	$ 6,898,223	$ 5,913,031
Co-location revenue	2,959,074	5,726,064
Net energy benefits	1,475,333	6,301,108
Sale of equipment	-	10,388,223
Total revenues	11,332,630	28,328,426
Less: Cost of revenues (excluding depreciation)	7,715,920	18,183,524
Gross profit	3,616,710	10,144,902
Selling, general and administrative	3,655,444	5,001,553
Stock based compensation	3,784,316	797,830
Depreciation and amortization	11,875,618	16,252,106
Change in fair value of derivative asset	520,838	(3,669,547)
Total operating expenses	19,836,216	18,381,942
Loss from operations	(16,219,506)	(8,237,040)
Non-operating income (expense):		
Losses on foreign currency transactions	(600,619)	(7,320,412)
Interest expense	(514,953)	(1,559,104)
Impairment of financial assets	(1,837,063)	-
Profit on sale of site	-	-
Gain on sale of marketable securities	-	-
Other expenses	(158,577)	-
Loss on re-classification to assets held for sale	-	(4,195,046)
Other income	-	59,819
Share of net loss of equity method investments	-	-
Total non-operating income (expense), net	(3,111,212)	(13,014,743)
Loss before income taxes	(19,330,718)	(21,251,783)
Income tax expense	-	-
Net Loss	(19,330,718)	(21,251,783)
Less: Net loss attributable to non-controlling interests	(283,101)	(389,801)
Net Loss attributed to Mawson Infrastructure Group stockholders	$ (19,047,617)	$ (20,861,982)
Net Loss per share, basic and diluted	$ (1.15)	$ (1.58)
Weighted average number of shares outstanding	16,500,833	13,227,788

On March 19, 2024, an Australian entity and subsidiary of the Company, Mig No.1 Pty Ltd, was placed into an Australian court appointed liquidation and wind-up process.

On March 29, 2024, the Company released an 8-K that the Company may seek to exit certain or all of its entities and holdings in Australia.

On April 15, 2024, the Company announced that the Board had appointed Ryan Costello, a former U.S. Congressman, as the Chair of the Company's Board of Directors effective April 9, 2024.

On April 23, 2024, an Australian entity and subsidiary of the Company, Mawson AU Pty Ltd, was placed into an Australian court appointed liquidation and wind-up process.

On April 29, 2024, an Australian entity and subsidiary of the Company, Mawson Services Pty Ltd, was placed into an Australian court appointed liquidation and wind-up process.

On April 19, 2024, a civil suit entitled "Blockware Solutions, LLC v. Mawson Bellefonte LLC and Mawson Infrastructure Group, Inc." was filed in the US District Court, Southern District of New York under Civil Action No. 1:24-cv-02976 with the Plaintiff claiming alleged merchandise price and incidental damages of $115,500, alleged consequential damages due to lost profits of $358,689, and other alleged, non-specified damages, for alleged claims of non-payment. Mawson Bellefonte, LLC is a Delaware subsidiary of the Company. Mawson Bellefonte and the Company intend to defend against alleged claims made related to this matter.

Results of Operations – Three months Ended March 31, 2024 compared to the three months ended March 31, 2023

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Revenues:		
Digital currency mining revenue	$ 7,514,763	$ 2,756,000
Co-location revenue	8,234,041	4,322,553
Net energy benefits	2,472,505	441,055
Sale of equipment	550,000	150,997
Total revenues	**18,771,309**	**7,670,605**
Less: Cost of revenues (excluding depreciation)	11,786,168	4,678,002
Gross profit	**6,985,141**	**2,992,603**
Operating expenses:		
Selling, general and administrative	3,463,923	4,977,417
Stock based compensation	4,901,484	1,068,288
Depreciation and amortization	7,999,076	7,962,523
Change in fair value of derivative asset	(1,686,152)	681,225
Total operating expenses	**14,678,331**	**14,689,453**
Loss from operations	**(7,693,190)**	**(11,696,850)**
Non-operating income (expense):		
Gains (losses) on foreign currency transactions	169,638	(418,216)
Interest expense	(734,580)	(835,107)
Loss on write off property and equipment	-	(118,933)
Profit on sale of site	-	790,847
Gain on sale of marketable securities	-	1,437,230
Other income	165,160	44,510
Other expenses	(9,792)	-
Loss on deconsolidation	(11,925,908)	-
Share of net loss of equity method investments	-	(36,356)
Total non-operating income (expense), net	(12,335,482)	863,975
Loss before income taxes	**(20,028,672)**	**(10,832,875)**
Income tax benefit (expense)	59,387	(548,083)
Net Loss	**(19,969,285)**	**(11,380,958)**
Less: Net loss attributable to non-controlling interests	**(205,086)**	(278,933)
Net Loss attributed to Mawson Infrastructure Group stockholders	**$ (19,764,199)**	**$ (11,102,025)**
Net Loss per share, basic & diluted	$ (1.19)	$ (0.80)
Weighted average number of shares outstanding	16,644,711	13,953,308

Revenues

Digital currency mining revenues from production of bitcoin for the three months ended September 30, 2023 March 31, 2024, and 2022 2023, were $6.90 million $7.51 million and $5.91 million $2.76 million, respectively. This represented an increase of $0.99 million $4.75 million or 17% 172%. During The increase for the 2023 period, 3 months ended March 31, 2024 was due in part to the Company continued to increase transitioning from its self-mining self- mining operations at its two Pennsylvania mining facilities, post transition from the prior Georgia facilities that were used for mining to its Pennsylvania facilities during 2023, which it had completed in 2022 period. 2024. The increase in mining revenue for the period was primarily attributable to also driven by the average price of bitcoin increasing. During the quarter ended September 30, 2022 March 31, 2023, the average price of bitcoin Bitcoin was $21,293, $22,721, whereas the average price of bitcoin during the quarter ended September 30, 2023 March 31, 2024, was $28,109, $54,468, a 32% 140% increase in the average price. However, this increase price, that was offset by a higher network difficulty rate in 2024. In addition, the increase in mining revenue is also partially due to the total bitcoin produced in the 2023 2024 period versus the 2022 2023 period. Bitcoin produced totaled 245.65 140.20 in the 2024 period compared with 121.11 in the 2023 period, compared with 282.99 in the 2022 period, a decrease an increase of 13% 16% of bitcoin produced over the respective period.

Co-location revenue services revenues for the three months ended September 30, 2023, March 31, 2024 and 2022 2023, were $2.96 million $8.23 million and $5.73 million $4.32 million, respectively. The decrease increase in revenue was due to the expiration number of miners we co-located during 2024, during the 2024 quarter the Company provided co-location agreement with Celsius Mining LLC which occurred on August 23, 2023. Celsius Mining LLC was services to multiple co-location customers, whereas in the Company's sole 2023 quarter the Company only provided co-location customer at that time. services to one customer.

Net energy benefits revenues for the three months ended September 30, 2023, March 31, 2024 and 2022, 2023, were $1.48 million $2.47 million and $6.30 million $0.44 million, respectively. This represented a decrease an increase of $4.82 million $2.03 million or a 77% decrease. 461% increase. This decrease increase is due to the Company participating less more in the energy programs in the 2023 2024 period because of lower power prices than in the 2022 2023 period due to higher power costs in the current period.

Sales of digital mining equipment for the three months ended September 30, 2023 March 31, 2024 and 2023, were $0.55 million and $0.15 million, and 2022, were $0 million and $10.39 million respectively.

Operating Cost and Expenses

Our operating costs and expenses include cost of revenues, revenues; selling, general and administrative expenses; stock-based compensation; change in fair value of derivative asset; and depreciation and amortization.

Cost of revenue

Our cost of revenue consists primarily of direct power costs related to digital currency mining cost of energy sold and co-location services and cost of mining equipment sold.

Cost of revenue for the three months ended September 30, 2023, March 31, 2024 and 2022 2023, were $7.72 million $11.79 million and $18.18 million $4.68 million, respectively. The decrease increase in cost of revenue was primarily attributable to a decrease an increase in power costs related to the energy used to operate the Company mining equipment and co-located mining equipment within our facilities.

Selling, general and administrative

Our selling, general and administrative expenses consist primarily of professional and management fees relating to: accounting, employee compensation, payroll, audit, and audit; legal; equipment repairs; marketing; freight; insurance; consultant fees; lease amortization, general and general office other expenses.

Selling, general and administrative expenses for the three months ended September 30, 2023, March 31, 2024 and 2022 2023 were $3.66 million $3.46 million and $5.00 million $4.98 million, respectively, which is a reduction of $1.34 million in the $1.52 million from period to period. The decrease in these expenses is primarily attributable to payroll costs decreasing by $1.16 million $0.24 million; property tax decreasing by $0.32 million; freight decreasing by $0.13 million; marketing expense decreasing by $0.21 million; rent costs decreasing by $0.16 million and contract labor decreasing by $0.14 million, due to cost reduction and optimization actions that the Company has undertaken during the quarter, and equipment repairs decreasing by $0.56 million. This was offset by a $1.15 million adjustment to accruals which occurred in the 2022 period.

Stock based compensation

Stock based compensation expenses for the three months ended September 30, 2023, and 2022 were $3.78 million and $0.80 million, respectively. In the three months ended September 30, 2023, stock based compensation was largely attributable to costs recognized in relation to long-term incentives for the Company's management of $3.28 million and warrants issued to Celsius Mining LLC amounting to $0.50 million.

Depreciation and amortization

Depreciation consists primarily of depreciation of digital currency mining hardware and modular data center ("MDC") equipment.

Depreciation and amortization for the three months ended September 30, 2023, and 2022 were $11.88 million and $16.25 million, respectively. The decrease is primarily attributable to the Company owning less miners in the quarter ended September 30, 2023, due to the sale of its Georgia facility and the miners and other equipment associated with it in November of 2022. The Company has continued to increase operations at its two Pennsylvania facilities where, as of September 30, 2023, it had approximately 16,730 miners online and hashing. We also revised our estimate of the useful life of miners with effect from December 1, 2022, to better reflect the pattern of consumption. The change was affected by updating the method of depreciation from reducing balance to the straight-line method from that date.previously undertaken.

Change in fair value of derivative asset

During the three months ended September 30, 2023, and 2022, there was a loss on the fair value of the derivative asset by $0.52 million and gain of $3.67 million, respectively, in relation to our power supply arrangements. The loss on the derivative asset was due to the fall in the price of energy costs and due to less time left on the power supply agreement.

Non-operating expenses

Non-operating expenses consist primarily of interest expenses, losses on foreign currency transactions, impairment of equity accounted investment and other expenses.

Interest expenses for the three months ended September 30, 2023 and 2022 were $0.51 million and $1.56 million, respectively. This decrease of $1.05 million was attributable to the paydown of debt during 2022 and the nine months ended September 30, 2023, resulting in lower interest expense.

During the three months ended September 30, 2023, the company recognized an impairment of $1.84 million on its equity accounted investment Tasmania Data Infrastructure Pty Ltd.

During the three months ended September 30, 2023, the realized and unrealized loss on foreign currency transactions was $0.60 million, in contrast to the three months ended September 30, 2022, where there was a loss of $7.32 million due to the movement in foreign exchange rates.

Net loss attributable to Mawson Infrastructure Group, Inc. stockholders

As a result of the foregoing, the Company recognized a net loss of $19.05 million for the three months ended September 30, 2023, compared to a net loss of $20.86 million for the three months ended September 30, 2022.

Results of Operations – Nine months Ended September 30, 2023, compared to the nine months ended September 30, 2022

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Revenues:		
Digital currency mining revenue	$ 14,550,744	$ 40,909,399
Co-location revenue	11,876,379	9,842,924
Net energy benefits	2,934,066	10,479,768
Sale of equipment	193,581	6,301,108
Total revenues	29,554,770	**67,533,199**
Less: Cost of revenues (excluding depreciation)	19,422,380	40,954,957
Gross profit	**10,132,390**	**26,578,242**
Selling, general and administrative	14,898,118	20,882,237
Stock based compensation	5,475,935	2,124,674
Depreciation and amortization	28,627,896	46,061,673
Change in fair value of derivative asset	6,646,363	(21,383,904)
Total operating expenses	**55,648,312**	**47,684,680**
Loss from operations	**(45,515,922)**	**(21,106,438)**
Non-operating income (expense):		
Losses on foreign currency transactions	(1,416,000)	(6,362,594)
Interest expense	(2,061,067)	(4,360,817)
Impairment of financial assets	(1,837,063)	(1,134,547)
Profit on sale of site	3,353,130	-
Gain on sale of marketable securities	1,437,230	-
Other expenses	(226,330)	-
Loss on re-classification to assets held for sale	-	(4,195,046)
Other income	245,694	1,931,952
Share of net loss of equity method investments	(36,356)	-
Total non-operating income (expense), net	(540,762)	(14,121,052)
Loss before income taxes	**(46,056,684)**	**(35,227,490)**
Income tax expense	(2,304,454)	-
Net Loss	**(48,361,138)**	**(35,227,490)**
Less: Net loss attributable to non-controlling interests	(867,590)	(912,449)
Net Loss attributed to Mawson Infrastructure Group stockholders	**$ (47,493,548)**	**$ (34,315,041)**
Net Loss per share, basic and diluted	$ (3.10)	$ (2.77)
Weighted average number of shares outstanding	15,336,653	12,392,205

RevenuesStock based compensation

Digital currency mining revenues from production for the nine months ended September 30, 2023, and 2022 were $14.55 million and $40.91 million respectively. This represented a decrease of $26.36 million or 64%. The decrease in mining revenue for the period was primarily attributable to a decrease in the total bitcoin produced. bitcoin produced totaled 548.38 in 2023 compared with 1,231.26 in the 2022 period, a decrease of 55% of bitcoin produced over the respective period due to less miners being deployed during the current period. During the current period, the Company continued to increase its self-mining operations across its Pennsylvania facilities, whereas the prior period included the operations of the Georgia facility, which was sold in October 2022. In addition to this, the difficulty to mine bitcoin was also higher during the current nine month period. Another reason for the decrease in digital currency mining revenue is due to the average price of bitcoin being less for the nine months ended September 30, 2023, than during the nine months ended September 30, 2022. During the nine month period ended September 30, 2023, the average price of bitcoin was $26,338 whereas the average price of bitcoin during the nine month period ended September 30, 2022 was $31,620, a 17% decrease in the average price.

Co-location revenue for the nine months ended September 30, 2023, and 2022 were $11.88 million and $9.84 million respectively. This increase is due to an increase in the number of miners we co-located during the 2023 period.

Net energy benefits for the nine months ended September 30, 2023, and 2022, were $2.93 million and $10.48 respectively. This represented a decrease of $7.55 million or a 72% decrease. This decrease is due to the Company participating less in the energy programs and selling less energy in the 2023 period because the price of power was much lower than in the 2022 period.

Sales of digital mining equipment for the nine months ended September 30, 2023, and 2022, were $0.19 million and $6.30 million, respectively.

Operating Cost and Expenses

Our operating costs and expenses include cost of revenues; selling, general and administrative expenses; stock based compensation; and depreciation and amortization.

Cost of revenues.

Our operating costs and expenses include cost of revenues; selling, general and administrative expenses; stock based compensation; and depreciation and amortization.

Cost of revenues for the nine months ended September 30, 2023, and 2022 were $19.42 million and $40.95 million, respectively. The decrease in cost of revenue was primarily attributable to a decrease in power costs related to energy to operate our mining equipment and co-location facilities. This decrease is attributable to less miners being used in operations during the current nine-month period due to the sale of the Georgia site.

Selling, general and administrative.

Our selling, general and administrative expenses consist primarily of professional and management fees relating to: accounting, employee compensation, audit, and legal; equipment repairs; marketing; freight; insurance; consultant fees; lease amortization and general office expenses.

Selling, general and administrative expenses for the nine months ended September 30, 2023, and 2022 were $14.90 million and $20.88 million, respectively. Total selling, general and administrative expenses were reduced by $5.98 million in the period. Some of the main factors impacting the decrease the expenses were due to payroll costs decreasing by $0.90 million; marketing costs decreased by $0.76 million; contact labor costs decreased by $1.1 million; recruitment costs decreased by $0.37 million and equipment repairs decreased by $2.0 million, as a result of the cost reduction actions that the Company has undertaken during the period. This reduction was offset by an increase in freight of $0.66 million.

Stock based compensation

Stock based compensation expenses for the nine three months ended September 30, 2023, March 31, 2024 and 2022 2023 were $5.48 million $3.46 million and $2.12 million $1.07 million, respectively. In the nine three months ended September 30, 2023 March 31, 2024, stock based compensation was attributable to costs recognized in relation to long-term incentives for the Company's directors, management, and employees and to align incentives with long-term stockholder value creation. Whereas in the three months ended March 31, 2023, share based payments were largely attributable to costs recognized for warrants issued to Celsius Mining LLC amounting to $1.50 million $0.50 million, shares issued to W Capital Advisors Pty Ltd amounting to $0.31 million for consultancy and advisory work and $3.66 million $0.20 million in relation to long-term incentives for the Company's employees' long term incentive plans.directors and management.

Depreciation and amortization

Depreciation consists primarily of depreciation of digital currency mining hardware and MDC equipment.

Depreciation and amortization for the nine three months ended September 30, 2023, March 31, 2024 and 2022 2023, were $28.63 million $7.99 million and $46.06 million $7.96 million, respectively. The decrease is primarily attributable to the Company owning less miners following the sale of its Georgia facilities in October 2022, and the increase self-mining operations at its two Pennsylvania facilities in the nine month period ended September 30, 2023. There was also a revised estimate of the useful life of miners with effect from December 1, 2022 to better reflect the pattern of consumption the change being effected by changing the method of depreciation from reducing balance to the straight line method from that date.

Change in fair value of derivative asset

During the nine three months ended September 30, 2023, March 31, 2024 and 2022, 2023, there was loss a gain on the fair value of the derivative asset by $6.65 million $1.69 million and a gain loss of $21.38 million $0.68 million, respectively, in relation to our power supply arrangements. The loss gain on the derivative asset is was due to the fall increase in the price of energy costs combined with less time left on the power supply agreement.in 2024.

Non-operating expense expenses

Non-operating expenses consist primarily of interest expense, losses expenses, loss on foreign currency transactions, share of net loss of associates accounted for using the equity method deconsolidation and other expenses.

Interest expense expenses for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023, were $2.06 million $0.73 million and $4.36 million $0.84 million, respectively. This was a decrease of $2.30 million which $0.11 million was attributable to the paydown of debt during 2022 2023 and the current nine month period resulting in a lower interest expense.2024.

During the nine three months ended September 30, 2023 March 31, 2024, the company Company recognized a deconsolidation loss of $11.93 million. This loss was as a result of an impairment Australian entity and subsidiary, MIG No.1 Pty Ltd, going into Australian court appointed liquidation and accordingly this subsidiary was deconsolidated. The deconsolidation loss recorded was due to the removal the net assets and certain liabilities of $1.84 million on its equity accounted investment Tasmania Data Infrastructure Pty Ltd.this subsidiary from the condensed consolidated financial statements. See Note 3 - Subsidiary Deconsolidation to the Consolidated Condensed Financial Statements (Unaudited) in Item 1. Financial Statements, for further discussion.

Non-operating income

Non-operating income consists primarily of gain on foreign currency transactions and other income.

During the nine three months ended September 30, 2023, March 31, 2024 and 2023, the realized and unrealized loss gain on foreign currency transactions was $1.42 million, $0.17 million and for the nine months ended September 30, 2022, there was a loss of $6.36 million $0.42 million, respectively. This difference was due mostly to the movement in foreign exchange rates.

Non-operating income

Non-operating income consists primarily of profit on sale of site assets, gain on sales of marketable securities and other income.

The profit on sale of site assets for the nine months ended September 30, 2023, and 2022 were $3.35 million and $0, respectively. The 2023 amounts mainly relate to the sale of the Luna Squares Texas LLC and 59 transformers.

The gain on sales of marketable securities for the nine months ended September 30, 2023, and 2022 were $1.44 million and $0, respectively. The gain during the nine-month period ended September 30, 2023 was in relation to the sale of CleanSpark, Inc shares.

Net loss attributable to Mawson Infrastructure Group, Inc. stockholders

As a result of the foregoing, the Company recognized a net loss of $47.49 million $19.76 million for the nine three months ended September 30, 2023 March 31, 2024, compared to a net loss of $34.32 million $11.10 million for the nine three months ended September 30, 2022 March 31, 2023.

Liquidity and Capital Resources

General

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. Significant factors in the management of liquidity are funds generated by operations, levels of accounts receivable and accounts payable and capital expenditures. expenditure. For the nine-month three-month period ended September 30, 2023 March 31, 2024, we financed our operations primarily through:

1. Net cash used by operating activities of $4.82 million;
2. On September 2, 2022, Mawson AU entered into a Secured Loan Facility Agreement with W Capital Advisors Pty Ltd with a total loan facility of AUD$8 million (USD$5.2 million). During the nine-month period ending September 30, 2023, the Company received AUD$3 million (USD$1.99 million) from this loan facility. As at September 30, 2023, AUD$1.51 million (USD$0.97 million) has been drawn down from this facility. The Secured Loan Facility expired in March 2023 and the Company and W Capital Advisors Pty Ltd are in ongoing discussions regarding the terms and extension of the loan. W Capital Advisors Pty Ltd and Mawson AU have each reserved their rights.
3. The Company has the ability through its ATM Agreement to sell shares of its common stock. Effective May 4, 2023, the Company filed a prospectus supplement to amend, supplement and supersede certain information contained in the earlier prospectus and prospectus supplement, which reduced the number of shares of common stock the Company may offer and sell under the ATM Agreement to an aggregate offering price of up to $9,000,000 from time to time. During the nine months ended September 30, 2023, 415,271 shares were issued as part of the ATM Agreement for cash proceeds of $1.19 million, net of issuance costs. The Company had been contractually restricted from issuing any stock under its ATM Agreement until November 7, 2023. but the Company may now seek to utilize its ATM Agreement to sell shares of its common stock when and as permitted by the offering limits set forth in General Instruction I.B.6 of Form S-3, which is referred to as the “baby shelf” rules.
4. On May 3, 2023, the Company entered into a definitive agreement with institutional investors for the issuance and sale of 2,083,336 shares of its common stock (or pre-funded warrants in lieu thereof) at a purchase price of $2.40 per share of common stock in a registered direct offering. In addition, in a concurrent private placement, the Company issued to the institutional investors unregistered warrants to purchase up to 2,604,170 shares of its common stock with an exercise price of $3.23 per share, which are exercisable nine months following issuance for a period of five and one-half years following issuance. The shares of common stock and pre-funded warrants described above were offered and sold by the Company pursuant to a “shelf” registration statement on Form S-3 (File No. 333-264062). The warrants to purchase common stock described above were offered and sold by the Company pursuant to Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. This offering closed on May 8, 2022. The net amount raised was $4.60 million. As a condition of the offering the Company was precluded from issuing new shares until 60 days after the offering closed, or new shares under the ATM until November 7, 2023.

through net cash provided by operating activities of $1.88 million and other cash reserves. During the nine three months ending September 30, 2023 March 31, 2024, we the Company repaid $12.83 million $0.50 million of principal payments against the historical previous facilities provided by Celsius, Marshall and W Capital Advisors Pty Ltd.

On May 27, 2022, the Company entered an At the Market Offering Agreement (the “ATM Agreement”) with H.C. Wainwright & Co., LLC (“Wainwright”), and filed a prospectus supplement, to sell shares of our Common Stock through an “at the market offering” program as defined in Rule 415 promulgated under the Securities Act of 1933, as amended. Effective May 4, 2023, the Company filed a prospectus supplement to amend, supplement and supersede certain information contained in the earlier prospectus and prospectus supplement, which reduced the number of shares of Common Stock the Company may offer and sell under the ATM Agreement to an aggregate offering price of up to $9 million from time to time. Sales of shares of Common Stock pursuant to the ATM Agreement are currently inactive, have been inactive since May 3, 2023, and are not currently expected until at the earliest August 2024, when the Company is expected to have eligibility to use Form S-3 registration statements. After the Company has eligibility to use Form S-3 registration statements, the Company still expects limitations related to General Instruction I.B.6 of Form S-3, which is referred to as the “baby shelf” rules.

We believe our near-term working capital requirements will continue to be funded through a combination of the cash we expect to generate from future operations, our existing funds, external debt facilities that may be available to us, further issuances of shares, and other potential sources of capital, monetization, or funds. These We believe a combination of these opportunities are expected to be adequate to fund our longer-term operations needed over the next twelve months. For our business to grow growth, it is expected we may continue investing in mining expanding our infrastructure, expanding and/or upgrading our miners, and/or other equipment and infrastructure and will require additional working capital in the short-term and long-term. As at September 30, 2023 of March 31, 2024, we had an aggregate of $17.78 million $19.13 million of debt that all of which is required to be repaid within five months unless we refinance, overdue for repayment unless we refinance or renegotiate the terms. In addition, the Celsius deposit of $15.33 million is the subject of a an ongoing legal dispute.

Please see our Risk Factor entitled “We may will need to raise substantial additional capital to continue our operations and execute our business strategy” strategy, meet our debt service obligations and execute our business strategy, and we may not be able to raise adequate capital on a timely basis, on favorable terms, or at all. Our inability to raise sufficient capital would have a material adverse effect on our financial condition and business.” in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Working Capital and Cash Flows

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had a cash and cash equivalents equivalent balance of $1.50 million $6.37 million and $0.95 million $4.48 million, respectively.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, our the trade receivables balance was $10.61 million $13.24 million and $10.46 million $12.11 million, respectively.

As of September 30, 2023 March 31, 2024, we had $17.78 million $19.13 million of outstanding short-term borrowings, and as of December 31, 2022 December 31, 2023, we had $23.61 million $19.35 million of short-term borrowings. The short-term borrowings as of September 30, 2023 March 31, 2024, relate to the to the secured loan facilities with Celsius Mining LLC, W Capital Advisors Pty Ltd, and Marshall Investments MIG Pty Ltd, and the secured convertible promissory notes issued to W Capital Advisors investors and Marshall Investments MIG Pty Ltd. Ltd (these loans are currently in default, refer to Material Cash Requirements section below for more information*)*. As of September 30, 2023, March 31, 2024 and as of December 31, 2022, we had $0 and $4.51 million, respectively, of outstanding long-term borrowings.

As of September 30, 2023 December 31, 2023, we had negative working capital of $32.98 million $30.39 million and as at December 31, 2022 $33.18 million, we had negative working capital of $15.17 million.respectively.

The following table presents the major components of net cash flows (used in) provided by operating, investing and financing activities for the years ending March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net cash provided by operating activities	$ 1,875,647	$ 1,316,592
Net cash provided by investing activities	$ 530,640	$ 4,069,294
Net cash used in financing activities	$ (509,544)	$ (4,935,714)

For the three months ending September 30, 2023, and 2022:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net cash (used in)/provided by operating activities	$ (4,818,073)	$ 25,141,208
Net cash provided by/(used in) investing activities	$ 10,510,543	$ (55,466,574)
Net cash (used in)/provided by financing activities	$ (5,115,470)	$ 26,240,336

For the nine months ended September 30, 2023, net cash used by operating activities was $4,818,073 and for the nine months ended September 30, 2022 March 31, 2024, net cash provided by operating activities was $25,141,208. $1.88 million and for the three months ended March 31, 2023, net cash provided by operating activities was $1.32 million. The decrease increase in net cash provided by operating activities was primarily attributable to operations and timing differences in trade and other receivables and trade and other payables. payables amongst other factors.

For the nine three months ended September 30, 2023 March 31, 2024, net cash provided by investing activities was $10,510,543 $0.53 million and for the nine three months ended September 30, 2022 March 31, 2023, net cash used in provided by investing activities was $55,466,574. $4.07 million. The net cash provided by investing activities during September 30, 2023 the year ended March 31, 2024, was primarily attributable to the proceeds from sale of investment certain non-utilized equipment. The net cash provided by investing activities during the year ended March 31, 2023, was primarily attributable to the proceeds from the sale of CleanSpark, Inc. shares in CleanSpark, Inc. held offset by the purchase of equipment.

For the nine three months ended September 30, 2023 March 31, 2024, net cash used in financing activities was $5,115,470 $0.51 million and for the nine three months ended September 30, 2022 March 31, 2023, net provided by cash used in financing activities was $26,240,336. $4.94 million. The cash used in financing activities during September 30, 2023 the three months ended March 31, 2024, was primarily attributable to the repayment of borrowings.

Material Cash Requirements

The following discussion summarizes our material cash requirements from contractual and other obligations.

In December 2021, the Company's subsidiary and Australian entity MIG No. 1 Pty Ltd entered into a Secured Loan Facility Agreement with Marshall Investments MIG Pty Ltd. Ltd ("Marshall"). The loan matures matured in February 2024 and bears interest at a rate of 12% per annum (with an overdue rate provision of an additional 500bps), payable monthly with interest payments commencing that commenced in December 2021. This loan facility is secured by direct assets of MIG No.1 Pty Ltd and a general security agreement given by the Company. Principal repayments began during November 2022. The outstanding balance is $8.05 million includes interest of $9.09 million as at September 30, 2023 of March 31, 2024, all of which is classified as a current liability. MIG No. 1 Pty Ltd has not made a principal and interest payment since May 2023. MIG No. 1 Pty Ltd and Marshall are in ongoing discussions with respect to the payment, and the loan terms generally. Marshall and MIG No. 1 Pty Ltd have each reserved their rights. On March 19, 2024, Mig No.1 Pty Ltd, which is an Australian entity, was placed into an Australian court appointed liquidation and wind-up process and was from the Company's group as of this date. See Note 3 - Subsidiary Deconsolidation to the Consolidated Condensed Financial Statements (Unaudited) in Item 1. Financial Statements, for further discussion. On March 19, 2024, Marshall appointed receivers and managers in Australia under the terms of their security relating to their secured loan facility. The assets securing this loan include 5,372 miners and 8 modular data centers ("MDCs") these assets are held by the MIG No.1 and therefore were included in the deconsolidation. The receiver's statutory duty includes the obligation to sell the secured assets at market value or, if market value is not known, at the best price reasonably obtainable to maximize the prospects of there being sufficient proceeds available to satisfy the balance of the outstanding secured debt. It is therefore expected that this loan balance will be offset in the future by the amount received from the sale of the miners and MDCs.

On February 23, 2022, the Company's subsidiary Luna Squares LLC entered into a Co-Location Agreement with Celsius Mining LLC. In connection with this agreement, Celsius Mining LLC loaned Luna Squares LLC a principal amount of $20 million, for the purpose of funding the infrastructure required to meet the obligations of the Co-Location Agreement, for which Luna Squares LLC issued a Secured Promissory Note for repayment of such amount. The Secured Promissory Note accrues interest daily at a rate of 12% per annum (with an overdue rate provision of an additional 200bps). Luna Squares LLC is required to amortize the loan at a rate of 15% per quarter, principal repayments began at the end of September 2022. The Secured Promissory Note has a maturity date of August 23, 2023, and the outstanding balance including interest is $8.24 million $8.82 million as of September 30, 2023 March 31, 2024, all of which is classified as a current liability. Celsius Mining LLC transferred the benefit of the promissory note to Celsius Network Ltd. Celsius Mining LLC and Celsius Network Ltd filed for Chapter 11 bankruptcy protection on July 13, 2022. Under the Co-location Agreement, Celsius Mining LLC advanced $15.33 million to Luna Squares LLC that were was held as a deposit. Whether that amount has been forfeited or must be returned to Celsius Mining LLC is the subject of a commercial dispute between the parties. As of May 1, 2024 and pursuant to a court order dated April 22, 2024, the Celsius civil lawsuit against Luna Squares and Mawson has been dismissed pursuant to the Company's successful motion to compel arbitration. Currently, no arbitration proceedings or further appeals have been filed by either party.

On September 2, 2022,

The Company is the guarantor of a Secured Loan Facility Agreement for working capital by the Company's subsidiary Mawson Infrastructure Group Pty Ltd entered into a Secured Loan Facility Agreement with W Capital Advisors Pty Ltd with a total loan facility Ltd. As of AUD$3.00 million (USD$1.9 million). This was amended on September 29, 2022 March 31, 2024, and the loan facility was increased to AUD$8.00 million (USD$5.2 million). As at September 30, 2023, AUD$1.51 million (USD$0.97 million) AUD $1.77 million (USD $1.13 million) has been drawn down from this facility, all of which is classified as a current liability. The Secured Loan Facility accrues interest daily at a rate of 12% per annum (with an overdue rate provision of an additional 800bps) and is paid monthly. Principal repayments are paid ad hoc in line with the loan facility agreement. The Secured Loan Facility expired in March 2023 and 2023. On October 30, 2023 Mawson Infrastructure Group Pty Ltd, which is an Australian entity, was placed into voluntary administration in Australia, and on November 3, 2023, W Capital Advisors Pty Ltd are appointed receivers and managers in ongoing discussions in respect Australia under the terms of the their security relating to their working capital facility. On October 30, 2023, Mawson AU appointed voluntary administrators, and the facility will be managed as part of the voluntary administration.

On July 8, 2022, the Company issued secured convertible promissory notes to investors in the aggregate principal amount of $3.60 million (the "Secured Convertible Promissory Notes") in exchange for an aggregate of $3.60 million in cash. On September 29, 2022, The outstanding balance relates to the Company entered into a letter variation relating to some of interest on the Secured Convertible Promissory Notes, with an aggregate principal amount of $3.1 million, which gave those holders the option to elect for pre-payment (including accrued interest to maturity) subject to certain conditions. All of the investors included in this letter variation elected for the pre-payment option and therefore there were $3.1 million principal repayments made during November 2022. The final convertible noteholder who was not a party to this variation opted to enter into an arrangement whereby it received pre-payment of interest but agreed that repayment of the principal was not required therefore the remaining $0.50 million has been classified as a current liability. The convertible note matured in July 2023 and the Company has not repaid the principal amount. Interest which has been accrued from July onwards and therefore the outstanding balance is $0.53 million $0.91 million as at September 30, 2023 of March 31, 2024, all of which is classified as a current liability.

Financial condition

As at September 30, 2023 of March 31, 2024, and December 31, 2022 December 31, 2023, we had net current liabilities of $32.98 million $30.39 million and $15.17 million $33.18 million, respectively. As at September 30, 2023 of March 31, 2024, and December 31, 2022 December 31, 2023, we had net assets of $40.05 million $13.01 million and $76.17 million $30.38 million, respectively. As at September 30, 2023 of March 31, 2024, we had an accumulated deficit of $169.75 million $202.43 million compared to $122.26 million $182.67 million as at December 31, 2022 of December 31, 2023. Our cash position at September 30, 2023 of March 31, 2024, was $1.50 million $6.37 million in comparison to $0.95 million at December 31, 2022 $4.48 million as of December 31, 2023. For the nine-month three-month period ending September 30, 2023 ended March 31, 2024 and September 30, 2022 2023 the Company incurred a loss after tax of $47.49 million $19.97 million and a loss after tax of $34.32 million $11.38 million, respectively. Included in trade and other receivables is a $2 million payment being the final payment due and pending from CleanSpark, Inc Inc. for the sale of the Georgia facility. CleanSpark, Inc has disputed the obligation to make this payment and there is uncertainty as to whether payment. On December 22, 2023, the Company can recover this amount made formal demand on CleanSpark Inc. and CSRE Properties Sandersville, LLC for at least $2 million for breach of contract on the debtors' obligation to pay for an energy earnout provision contained in part or full. a Purchase and Sale Agreement dated October 1, 2022, between the parties. Subsequently, on January 12, 2024, Mawson and Luna filed notice of its claim for formal arbitration before the American Arbitration Association. On February 5, 2024, CleanSpark and CSRE filed a motion objecting to jurisdiction of the arbitration proceedings. An arbitrator was appointed to hear the matter and on May 1, 2024, ruled that the arbitration proceedings be dismissed for lack of jurisdiction on the grounds of conflicting language contained in the purchase and sale agreement. The ruling did not address the merits of the Company's claims, and the Company intends to pursue its claims against Cleanspark, Inc. by civil lawsuit through a filing with the court.

Our primary requirements for liquidity and capital are working capital, capital expenditures, public company costs and general corporate needs. In particular, we have large power usage costs, and other significant costs include our lease, operational, general costs and employee costs. We expect these capital and liquidity needs to continue as we further develop and grow our business. Our principal sources of liquidity have been and are expected to be our cash and cash equivalents, external debt facilities available to us and further issuances of shares.

We require additional capital to respond to near-term debt repayment obligations, competitive pressure, market dynamics, new technologies, customer demands, business opportunities, challenges, potential acquisitions or unforeseen circumstances, and we will likely need to determine to engage in equity or debt financings in the short term. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to fund, grow or support our business model and to respond to business challenges could be significantly limited, our business, financial condition and results of operations could be adversely affected, and this may result in bankruptcy or our ceasing operations.

The Company is taking continues to take steps to preserve cash by optimizing costs and negotiating with its suppliers to improve or extend their terms of trade. The Company has been improving its revenue generation by improving the efficiency of its operations. operations and adding multiple, institutional co-location services customers. The Company will continue to seek to optimize its cashflows. cashflows through these and other initiatives.

Non-GAAP Financial Measures

The Company utilizes a number of different financial measures, both GAAP and non-GAAP, in analyzing and assessing its overall business performance, for making operating decisions and for forecasting and planning future periods. The Company considers the use of non-GAAP financial measures helpful in assessing its current financial performance, ongoing operations, and prospects for the future. While the Company uses non-GAAP financial measures as a tool to enhance its understanding of certain aspects of its financial performance, the Company does not consider these measures to be a substitute for, or superior to, the information provided by GAAP financial measures. Consistent with this approach, the Company believes that disclosing non-GAAP financial measures to the readers of its financial information provides such readers with useful supplemental data that, while not a substitute for GAAP financial measures, allows for greater transparency in the review of its financial and operational performance. Investors are cautioned that there are inherent limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles and many of the adjustments to the GAAP financial measures reflect the exclusion of items that are recurring and will be reflected in the company's financial results for the foreseeable future. In addition, other companies, including other companies in the Company's industry, may calculate non-GAAP financial measures differently than the Company does, limiting their usefulness as a comparative tool.

The Company is providing supplemental financial measures for (i) non-GAAP adjusted earnings before interest, taxes, depreciation and amortization, or ("adjusted EBITDA") that excludes the impact of interest, taxes, income tax, depreciation, amortization, share-based stock-based compensation expense, change in fair value of derivative asset, impairment of financial assets, unrealized gains/losses, on share of associates, net loss of equity method investments, loss on deconsolidation and certain non-recurring expenses. We believe that adjusted EBITDA is useful to investors in comparing our performance across reporting periods on a consistent basis. basis where one-time, or non-recurring gains or losses or expenses unrelated to operating activities would otherwise mask the Company's operating performance.

	For the three month period ended	
	2024	2023
Reconciliation of non-GAAP adjusted EBITDA:		
Net loss:	$ (19,969,285)	$ (11,380,958)
Share of net loss of equity method investments	-	36,356
Depreciation and amortization	7,999,076	7,962,523
Stock based compensation	4,901,484	1,068,288
(Gain) loss on foreign currency transactions	(169,638)	418,216
Other non-operating income	(165,160)	(44,510)
Other non-operating expenses	744,372	954,040
Change in fair value of derivative asset	(1,686,152)	681,225
Income tax	(59,387)	548,083
Loss on deconsolidation	11,925,908	-
EBITDA (non-GAAP)	**$ 3,521,218**	**$ 243,263**

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Reconciliation of non-GAAP adjusted EBITDA:				
Net loss:	$ (19,330,718)	$ (21,251,783)	$ (48,361,138)	$ (35,227,490)
Impairment of financial assets	1,837,063	-	1,837,063	1,134,547
Share of net loss of equity method investments	-	-	36,356	-
Depreciation and amortization	11,875,618	16,252,106	28,627,896	46,061,673
Stock based compensation	3,784,316	797,830	5,475,935	2,124,674
Unrealized and realized losses/(gain)	600,619	7,320,412	1,416,000	6,362,594
Other non-operating income	-	(59,819)	(245,694)	(1,931,952)
Other non-operating expenses	673,530	1,559,104	2,287,397	4,360,817
Loss on classification of assets held for sale	-	4,195,046	-	4,195,046
Change in fair value of derivative asset	520,838	(3,669,547)	6,646,363	(21,383,904)
Income tax	-	-	2,304,454	-
EBITDA (non-GAAP)	**$ (38,734)**	**$ 5,143,349**	**$ (24,632)**	**$ 5,696,005**

Critical accounting estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of income and expenses during the reporting periods. Actual results could differ from those estimates. There have been no material changes to our critical accounting policies and estimates as set forth in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, the Company has elected not to provide the disclosure required by this item.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Our Board of Directors, the Board Committee(s) and management with the participation of team, including our Chief Executive Officer and President (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a- 15(e)) and 15d- 15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Quarterly Report. Our Board of Directors and management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and President and Chief Financial Officer have concluded that our disclosure controls and procedures were not effective at the reasonable assurance level as of September 30, 2023 March 31, 2024, including the material weaknesses in our internal control over financial reporting described below. Management's assessment of the effectiveness of our disclosure controls and procedures is expressed at a level of reasonable assurance because management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Whilst remediation actions are ongoing and controls have been implemented across all business processes, the material weaknesses in our internal control over financial reporting and information technology will not be considered remediated, until controls have operated for a sufficient period of time and have been tested for and concluded to be operating effectively. As operating effectiveness testing is ongoing has not been concluded as of the date of this report, we continue to disclose the following material weaknesses.

Significant Reliance on Certain Individuals. There is inadequate segregation of duties in place related to our financial reporting and other review and oversight procedures due to the lack of sufficient accounting and other personnel. This is not inconsistent with similar sized and small organizations. This gives rise to the risk of lack of ability to react in a timely manner to operations issues and to fully meet the requirements of the SEC, U.S. GAAP, and the Sarbanes-Oxley Act of 2002. In addition, this poses the risk that compliance and other reporting obligations are not dealt with in an adequate manner.

Controls over the financial statement close and reporting process. Controls were not adequately designed or implemented in the financial statement close and reporting process. This includes controls related to complex and judgmental accounting transactions including business acquisitions and divestures, derivatives, manual journal entries, account reconciliations and financial statement policies and disclosures.

Information and Technology Controls. There are control deficiencies related to information technology ("IT") general controls that in the aggregate constitute a material weakness. Deficiencies identified include lack of controls over access to programs and data, program changes, program development and general IT controls.

Data from third parties. The Company did does not properly have the resources and personnel to fully execute its designed controls to ensure that data received from third parties was validated, complete and accurate. Such data is relied on by the Company in determining amounts pertaining to mining and co-location revenue, net energy benefits, and digital currency assets.

Fixed asset verification. The Company did does not properly have the resources and personnel to fully execute its designed controls around physical asset verification. Together with system limitations, restricting tracking of fixed asset movements, there is a risk around the existence of fixed assets.

Notwithstanding the identified material weaknesses and management's assessment that our disclosure controls and procedures were not effective as of September 30, 2023 March 31, 2024, management believes that the consolidated condensed financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in accordance with generally accepted accounting principles. We rely on the assistance of outside advisors with expertise in these matters in preparing the financial statements.

Remediation

Our Board of Directors and management take internal control over financial reporting and the integrity of our financial statements seriously. Our management continues to work to find ways to improve its controls related to our material weaknesses. With the oversight of the Board of Directors, the Board Committee(s) and our audit committee, we management, the Company plans to continue to remediate progress the remediation of the underlying causes of the identified material weaknesses, such that primarily through the controls are designed, implemented and operate better.

Our remediation efforts commenced in fiscal year 2022, when we performed performance of a risk assessment designed controls, process; the development and gradually implemented controls for all business processes. In the current financial year, management updated the initial risk assessment, refined control designs, continued the implementation of controls formal, documented policies and performed ongoing remediation efforts to uplift procedures, improved processes and control activities (including an assessment of the quality and effectiveness segregation of existing controls. Remediation efforts further included the implementation of new IT systems and applications with robust controls, segregating duties through implementing system workflows and duties); as well as the hiring of qualified additional finance and other personnel in for specific roles including financial reporting and IT. A small number of controls remain to be implemented in the upcoming quarter. reporting.

Whilst controls have been implemented across all business processes and are operating, the material weaknesses in our internal control over financial reporting and information technology will not be considered remediated until controls have operated for a sufficient period of time and have been tested for and concluded on for effectiveness. Further As operating effectiveness testing has not been concluded as of the effectiveness date of controls is planned in this report, we continue to disclose the subsequent quarter. material weaknesses.

Remediation efforts for upcoming quarters will be focused on implementing progressing the implementation of the remainder of controls, refining existing controls and validating the effectiveness of implemented controls using criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control. We cannot provide any assurance that our remediation efforts will be successful or that our internal control over financial reporting and other business processes will be effective as a result of these efforts. In addition, as we continue to evaluate and work to improve our internal control over financial reporting related to the identified material weaknesses, management may determine to take additional measures to address control deficiencies or determine to modify or update the remediation plan described above.

Changes in internal control over financial reporting

Except for the remedial measures described above, there have been no other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) that occurred during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures and Internal Control over Financial Reporting

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, the Board of Directors and management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints, and that the Board of Directors and management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On October 16, 2023, Mr. Ariel Sivikofsky, who was previously engaged to provide CFO-related services to the Company, filed a claim against an Australian subsidiary Mawson AU in the Australian Federal Circuit and Family Court of Australia in relation to certain employment related claims. The applicant's total claim is for up to AUD$216,979.64. Mawson AU disputes the claim, and denies Mr. Sivikofsky was an employee. Voluntary administrators were appointed to Mawson AU on October 30, 2023, and therefore consent orders were made staying those proceedings, and the hearing date was vacated.

The Company and some of its subsidiaries are currently We have been made a defendant in commercial disputes, including with Celsius Mining LLC, whereby Celsius Mining LLC, the Company and/or its subsidiaries and affiliates certain legal proceedings which may have made certain allegations and claims against each other. The Company is also in a commercial dispute with CleanSpark, Inc. related to payments due by CleanSpark, Inc. to the Company. If the Company and those subsidiaries are unable to resolve these issues with Celsius Mining LLC and/or CleanSpark, Inc, these disputes may lead to litigation.

Other than as described above, we are currently not, and have not been in the recent past, a party to any litigation which may have future or have had in the recent past significant effects on our financial position or profitability. However, we On July 13, 2022, Celsius Mining LLC and Celsius Network LLC and other related entities (collectively, "Celsius"), filed for bankruptcy relief under Chapter 11 in the United States Bankruptcy Court for the Southern District of New York (the "Court"), Case No. 22-10964. In that matter, on November 23, 2023, Celsius filed an adversary proceeding against Mawson, its subsidiaries Luna Squares LLC and Cosmos Infrastructure LLC, asserting various claims related to the alleged breach of a Co-Location Agreement and Secured Promissory Note. Adv. Case No. 23-01202, claiming it is owed approximately $8 million under the promissory note and claiming entitlement to return of $15.33 million paid as deposit. Mawson denied that Celsius is entitled to the relief it seeks in the adversary proceeding and is actively defending the matter. Many of the related claims and disputes between Celsius and Mawson have been disclosed in more detail in Mawson's previous filings with the SEC. As part of its defense, Mawson sought to have the matter removed from the adversary proceeding to arbitration based on the arbitration clause contained in one of the transaction's agreements. Celsius opposed the removal and the matter was heard before the Court. On February 27, 2024, the Court ruled in part that the claims regarding the Co-Location Agreement could be arbitrated, but the claims for the promissory note would stay before the Court. The Court appointed a litigation administrator to handle the claims arising out of the promissory note. Mawson appealed this decision to the District Court for the Southern District of New York and ultimately prevailed. As of May 1, 2024, and pursuant to a court order dated April 22, 2024, the Celsius civil lawsuit against Luna Squares and Mawson has been dismissed pursuant to the Company's successful motion to compel arbitration. Currently, no arbitration proceedings or further appeals have been filed by either party.

On December 22, 2023, Mawson Infrastructure Group Inc. and Luna Squares LLC made formal demand on CleanSpark Inc. and CSRE Properties Sandersville, LLC for $2,000,000 for breach of contract for failing to pay for an energy earnout provision contained in the past, Purchase and Sale Agreement dated September 8, 2022, between the parties. Subsequently, on January 12, 2024, Mawson and Luna filed notice of its claim for formal arbitration before the American Arbitration Association. On February 5, 2024, CleanSpark and CSRE filed a motion objecting to jurisdiction of the arbitration proceedings. An arbitrator was appointed to hear the matter and on May 1, 2024 ruled that the arbitration proceedings be dismissed for lack of jurisdiction on the grounds of conflicting language contained in the purchase and sale agreement. The ruling did not address the merits of the Company's claims, and the Company intends to pursue its claims by civil lawsuit through a court filing.

On March 28, 2024, the Company was made a defendant in a civil suit before the Supreme Court of NSW in Sydney Australia, in the matter entitled "W Capital Advisors Pty Ltd in its capacity as trustee for the W Capital Advisors Fund v. Mawson Infrastructure Group, Inc.", Docket No. 2024/00117331, alleging a claim to seek US$166,219 as unpaid interest under a convertible note after the Company paid in full the principal of $500,000, and AUD$298,926 under a loan deed, plus interest and costs for sums due claiming corporate guarantee by the Company for a "Variation Deed to Loan Deed" dated September 29, 2022, executed by its Australian entity, Mawson Infrastructure Group Pty Ltd. As noted previously in the Company's Current Report on Form 8-K filed on March 29, 2024, the Company, pursuant to Australian law, on March 28, 2024, sent a preliminary discovery notice to W Capital to obtain documents and to investigate and ascertain if W Capital is a related party to Mr. James Manning, the Company's former director and executive, and to investigate and ascertain if transactions between W Capital Advisors Pty Ltd and the Company were related party transactions.

The Company and some of its subsidiaries, including Australian entities, are currently in disputes, as outlined below. These disputes may be from time in or may lead to time in litigation.

On January 8, 2024, a commercial demand was made Flynt ICS Pty Ltd to the future, be involved in certain litigation Company's subsidiary and an Australian entity, MIG No. 1 Pty Ltd, for $129,930, for alleged claimed sums due under a service agreement. As determined by the Audit Committee's investigation into Mr. James Manning, Flynt ICS Pty Ltd is a party related to our businesses. For example, Mr. James Manning, a former director and executive of the Company. On March 19, 2024, MIG No.1 Pty Ltd was placed into an Australian court appointed liquidation and wind-up process. See Note 3 - Subsidiary Deconsolidation to the Consolidated Condensed Financial Statements (Unaudited) in Item 1. Financial Statements, for further discussion.

On February 1, 2024, a former independent contractor, Noam Danenberg, through his professional company, N. Danenberg Holding (2000) Ltd, apparently filed a civil suit in Tel Aviv Israel against the Company for an alleged $90,000 in fees and its subsidiaries receive letters of demand for payments from time other benefits. The Company has never been formally served nor has it submitted to time which could lead to legal proceedings. jurisdiction in Israel.

On October 30, 2023, the directors of the Company's Australian subsidiary, Mawson AU Infrastructure Group Pty Ltd ("Mawson AU") appointed voluntary administrators in Australia to Mawson AU. Voluntary administration is a process under Australian corporate law where an external administrator is appointed to take control of the relevant entity, investigate and report to creditors about the relevant entity's business, property, affairs and financial circumstances, and report on the options available to creditors. It is not a court process. On November 3, 2023, W Capital Advisors appointed receivers and managers in Australia under the terms of their security relating to their working capital facility. Neither

On January 3, 2024, W Capital put Mawson on notice of these processes its intent to collect what it asserts are governed past due amounts for the following claims as of December 31, 2023: (a) principal and interest payable on the Loan Amount advanced to Mawson under a variation deed, amounting to $1.30 million (AU $1.90 million); (b) the principal amount advanced under convertible note, amounting to $0.50 million; and (c) interest payable on the principal amount advanced under a convertible note, amounting to $0.07 million. W Capital is also claiming issuance of an alleged 1,500,000 shares of the Company. The Company paid to W Capital $0.50 million on March 6, 2024, and is reserving all of its rights and remedies as they pertain to W Capital's alleged claims for additional AU$1.30 million and 1,500,000 shares which the Company disputes. On March 28, 2024, the Company was made a defendant in a civil suit before the Supreme Court of NSW, in Sydney Australia, in the matter entitled "W Capital Advisors Pty Ltd in its capacity as trustee for the W Capital Advisors Fund v. Mawson Infrastructure Group, Inc.", Docket No. 2024/00117331, alleging a claim to seek US$166,219 as alleged unpaid interest under a convertible note after the Company paid in full the principal of $500,000, and an alleged AUD$298,926 under a loan deed, plus interest and costs for sums allegedly due claiming corporate guarantee by the courts. Company for a "Variation Deed to Loan Deed" dated September 29, 2022, executed by Australian entity, Mawson Infrastructure Group Pty Ltd. As noted previously in the Company's Current Report on Form 8-K filed on March 29, 2024, the Company, pursuant to Australian law, on March 28, 2024, sent a preliminary discovery notice to W Capital to obtain documents and materials to investigate and ascertain if W Capital is a related party to Mr. James Manning, the Company's former director and executive, and to investigate and ascertain if transactions between W Capital Advisors Pty Ltd and the Company were related party transactions.

On April 19, 2024, a civil suit entitled "Blockware Solutions, LLC v. Mawson Bellefonte LLC and Mawson Infrastructure Group, Inc." was filed in the US District Court, Southern District of New York under Civil Action No. 1:24-cv-02976 with the plaintiff, Blockware Solutions, LLC, claiming alleged merchandise price and incidental damages of $115,500, alleged consequential damages due to lost profits of $358,689, and other alleged non-specified damages, for alleged claims of non-payment. Mawson Bellefonte, LLC is a Delaware subsidiary of the Company. Mawson Bellefonte and the Company intend to defend against these alleged claims made related to this matter.

On April 23, 2024, the Company's subsidiary and an Australian entity, Mawson AU Pty Ltd, was placed into an Australian court appointed liquidation and wind-up process.

On April 29, 2024, the Company's subsidiary and an Australian entity, Mawson Services Pty Ltd, was placed into an Australian court appointed liquidation and wind-up process.

The Company and its subsidiaries have been in the past, and from time to time in the future, may be involved in certain litigation related to our businesses. For example, the Company and its subsidiaries receive letters of demand for payments from time to time which could lead to legal proceedings.

Item 1A. Risk Factors

The Company's risk factors were disclosed in (i) Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, which was filed on March 23, 2023 April 1, 2024 and (ii) Part II, Item 1A of as disclosed in our Quarterly Report 8-K filing on form 10-Q for the quarter ended March 31, 2023 March 29, 2024. In addition, the Company includes the additional risk factors and updates to existing risk factors below:

Listing on The Nasdaq Capital Market ("Nasdaq")

On October 4, 2023, the company received written notice ("The Bid Price Letter") from The Nasdaq Stock Market LLC ("Nasdaq") indicating that the Company is not in compliance with the $1.00 minimum bid price requirement for continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Rule"). In accordance with Nasdaq Listing Rule 5810-2(c)(3)(A), the Company has a period of 180 calendar days, or until April 1, 2024, to regain compliance with the Bid Price Rule. To regain compliance, the closing bid price of the Company's common stock must meet or exceed $1.00 per share for a minimum of ten consecutive business days during this 180-day period. The Bid Price Letter is a notice of deficiency, not delisting, and does not currently affect the listing or trading of shares of our common stock on Nasdaq, which will continue to trade under the symbol "MIGI." The Company intends to actively monitor the closing bid price of shares of its common stock and may, if appropriate, consider implementing available options to regain compliance with the Bid Price Rule. If the Company does not regain compliance within the allotted compliance periods, including any extensions that may be granted by Nasdaq, Nasdaq will provide notice that the Company's common stock will be subject to delisting. The Company would then be entitled to appeal that determination to a Nasdaq hearings panel.risks related to:

If we are unable to maintain listing on Nasdaq or if a liquid market for our common stock does not develop or is not sustained, our common stock may remain thinly traded. If, for any reason, Nasdaq should delist our securities from trading on its exchange and we are unable to obtain listing on another national securities exchange, a reduction in some or all of the following may occur, each of which could have a material adverse effect on our stockholders:

- The liquidity of our common stock;
- The market price of our common stock;
- Our ability to obtain financing for the continuation of operations;
- The number of investors that will consider investing in our common stock;
- The number of market makers in our common stock:
- The availability of information concerning the trading prices and volume of our common stock; and
- The number of broker-dealers willing to execute trades in our common stock.

The impact of the Bitcoin halving, which took place in April 2024 has introduced uncertainly that could materially impact our self-mining revenue or our co-location services customers businesses

We will need to raise substantial additional capital to continue our operations and execute our business strategy, and we may not be able to raise adequate capital on a timely basis, on favorable terms, or at all.

We have a history The bitcoin block reward halved on April 19, 2024, reducing the number of losses bitcoins earned for each block mined from operations, we expect negative 6.25 to 3.125. If the bitcoin price does not appreciate sufficiently to offset this 50% reduction in mining rewards, our and/or our co-location services customers revenues, cash flows, from our operations to continue for and operating results could be materially and adversely impacted. There can be no assurance that the foreseeable future, and we expect that our net losses market price of bitcoin will continue for the foreseeable future as we seek to increase the efficiency of our operations, find new co-location customers, and grow the size of our self-mining operations. These circumstances raise substantial doubt about our ability to continue as a going concern. Our financial statements as of September 30, 2023, have been prepared on the basis that we will be able to continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty. At September 30, 2023, our accumulated deficit was $169.75 million, our cash and cash equivalents were $1.50 million, and we had negative working capital of $32.98 million. Advancing our future plans will require substantial additional investment. Based on our current operating plan estimates, we do not have sufficient cash to satisfy our working capital needs and other liquidity requirements over the next 12 months from the date of this report. We will need to raise substantial additional capital in the near term nor that our operating costs will decrease proportionally to continue mitigate the halving's adverse impact on our self-mining profitability. As a result, the halving has introduced significant uncertainty to fund our operations near-term financial prospects and execute could require us to modify our current business strategy. The amount operating plans and timing of our capital needs have and will continue to depend on many factors, as discussed further below as well as under "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources." growth strategies.

Our capital needs have depended on, and will continue to depend on, many factors that are highly variable and difficult to predict, including:

- working capital,
- capital expenditures,
- public company costs and
- general corporate needs.

We are seeking to raise additional capital through a variety of means, including equity, equity-linked or debt securities offerings, or other types of arrangements or sources of capital, monetization or funds. Our past success in raising capital through equity offerings should not be viewed as an indication we will be successful in raising capital through those or any other means in the future. We expect that our ability to raise additional capital and the amount of capital available to us will depend not only on our operations, assets and progress effecting our business plan, but also on several factors outside of our control, such as macroeconomic and financial market (including cryptocurrency market) conditions.

Unstable and unfavorable market and economic conditions may harm our ability to raise additional capital. An economic downturn, recession or recessionary concerns, delay or failure of the U.S. government to raise the federal debt ceiling, increased inflation, rising interest rates, adverse developments affecting financial institutions or the financial services industry, or the occurrence or continued occurrence of events similar to those in recent years, such as a fall in the price of bitcoin, the COVID-19 pandemic or other public health emergencies, geopolitical conflict (such as the war in Ukraine and Gaza), natural/environmental disasters, supply-chain disruptions, terrorist attacks, strained relations between the U.S. and a number of other countries, social and political discord and unrest in the U.S. and other countries, and government shutdowns, among others, increase market volatility and have long-term adverse effects on the U.S. and global economies and financial markets. Volatility and deterioration in the financial markets and liquidity constraints or other adverse developments affecting financial institutions may make equity or debt financings more difficult, more costly or more dilutive and may increase competition for, or limit the availability of, funding from other third-party sources, such as from strategic collaborations and government and other grants.

Our management may devote significant time and we may incur substantial costs in pursuing, evaluating and negotiating potential strategic options or capital-raising transactions and those efforts may not prove successful on a timely basis, or at all. If we cannot raise adequate additional capital when needed, we may be forced to reorganize or merge with another entity, sell or monetize assets, file for bankruptcy, or cease operations. If we become unable to continue as a going concern, we may have to liquidate our assets, and might realize significantly less than the values at which they are carried on our financial statements, and our stockholders may lose all or part of their investment in our common stock.

We will need to raise capital to meet our debt service obligations, and to fund our working capital needs. Our inability to raise sufficient capital would have a material adverse effect on our financial condition and business.

As of September 30, 2023, we had cash and cash equivalents of approximately $1.50 million. As at September 30, 2023 we had an aggregate of $17.78 million of debt that is required to be repaid within five months unless we refinance, unless we refinance or renegotiate the terms. In addition, the Celsius deposit of $15.33 million is the subject of a dispute. Mawson has a need to raise capital to meet those debt service obligations and to fund our working capital needs. We currently have no arrangements for such capital and no assurances can be given that we will be able to raise such capital when needed, on acceptable terms, or at all. If we are unable to raise or source sufficient capital, we will need to implement additional measures to reduce operating expenses and to preserve capital, any of which may further adversely affect our operations. If we fail to comply with our debt service obligations, our lenders could declare a default, which could lead to all or a number of payment obligations becoming immediately due and payable and have a material adverse effect on our financial condition and business. The Company may not be able to make all those payments at once.

The Company requires capital to invest in new hardware. Bitcoin mining hardware becomes obsolete over time, and the difficulty to mine for bitcoin increases as the total hashrate of the Bitcoin network increases. This means that if competitors continue to increase their hashing power relative to the Company, the Company will tend to earn less bitcoin if its hashing power does not increase in a similar manner.

The Company has only one co-location customer, and therefore a significant part of its business is exposed to that counterparty risk, for example if that counterparty fails to meet its contractual obligations, including delivering hardware on time, or failing to make payments on time, or at all. The Company has sought to mitigate such risks through its contractual arrangements, and may seek to further mitigate this risk in other ways, such as executing further co-location agreements with other counterparties.

Item 2. Use of Proceeds, and Issuer Purchases of Equity Securities

None

Item 3. Defaults Upon Senior Securities

Celsius Mining LLC loaned $20 million to Luna Squares LLC, through a Secured Promissory Note (the "Celsius Promissory Note"), which had a maturity date of August 23, 2023, and a total outstanding balance as at September 30, 2023 of March 31, 2024, of $8.24 million $8.82 million. Luna Squares LLC has not repaid the loan as required on the maturity date and is therefore in default. Celsius Mining LLC transferred to benefit of the Celsius Promissory Note to Celsius Network Ltd. Celsius Network Ltd has so far not taken any formal steps to enforce its rights against Luna Squares LLC or the collateral, but has notified Luna Squares the default interest is payable. On November 23, 2023, Celsius filed an adversary proceeding against Mawson, its subsidiaries Luna Squares LLC and Cosmos Infrastructure LLC, asserting various claims related to the alleged breach of a Co-Location Agreement and Secured Promissory Note. Adv. Case No. 23-01202, claiming it is owed approximately $8 million under the promissory note and claiming entitlement to return of $15.33 million paid as deposit. Mawson denied that Celsius is entitled to the relief it seeks in the adversary proceeding and is actively defending the matter. Many of the related claims and disputes between Celsius and Mawson have been disclosed in more detail in Mawson's previous filings with the SEC. As part of its defense, Mawson sought to have the matter removed from the adversary proceeding to arbitration based on the arbitration clause contained in one of the transaction's agreements. Celsius opposed the removal and the matter was heard before the Court. On February 27, 2024, the Court ruled in part that the claims regarding the Co-Location Agreement could be arbitrated, but the claims for the promissory note would stay before the Court. The Court appointed a litigation administrator to handle the claims arising out of the promissory note. Mawson appealed this decision to the District Court for the Southern District of New York and ultimately prevailed. As of May 1, 2024, and pursuant to a court order dated April 22, 2024, the Celsius civil lawsuit against Luna Squares and Mawson has been dismissed pursuant to the Company's successful motion to compel arbitration. Currently, no arbitration proceedings or further appeals have been filed by either party.

The Company has a Secured Loan Facility Agreement with Marshall Investments GCP Pty Ltd ATF for the Marshall Investments MIG Trust ("Marshall"). The loan matures in February 2024 and the total outstanding balance is $8.05 million $9.09 million as at September 30, 2023 of March 31, 2024. MIG No. 1 Pty Ltd, an Australian entity, has not made a principal and interest payment since May 2023, despite such payments falling due, and is therefore in default. MIG No. 1 Pty Ltd is also in default of a number of other covenants under the terms of the loan. MIG No. 1 On March 19, 2024, Mig No.1 Pty Ltd was placed into an Australian court appointed liquidation and wind-up process and was deconsolidated for the group from this date. On March 19, 2024, Marshall are appointed receivers and managers in ongoing discussions with respect Australia relating to the payment, and the their secured loan terms generally. Marshall and MIG No. 1 Pty Ltd have each reserved their rights. facility.

A subsidiary of

The Company is the Company in Australia, Mawson AU has guarantor on a Secured Loan Facility Agreement for working capital by Mawson Infrastructure Group Pty Ltd with W Capital Advisors Pty Ltd with a total loan facility Ltd. As of AUD$8 million (USD$5.2 million) ("Working Capital Loan"). As at September 30, 2023 March 31, 2024, AUD$1.51 million (USD$0.97 million) AUD $1.77 million (USD $1.13 million) has been drawn down from this facility. The Secured Loan Facility expired in March 2023 and Mawson AU the Company did not extend the maturity date, and has not repaid the loan amount, and is therefore in default. This Secured Loan facility Agreement was originally with Mawson Infrastructure Group Pty Ltd, an Australian entity which was placed into voluntary administration under Australian law on October 30, 2023 and on November 3, 2023, W Capital Advisors Pty Ltd appointed receivers and Mawson AU each reserved managers in Australia under the terms of their rights. security relating to their working capital facility.

The Company has a Secured Convertible Promissory Note with W Capital Advisors Pty Ltd with an outstanding balance of $0.50 million $0.91 million as at September 30, 2023 of March 31, 2024. The Convertible Note matured in July 2023. W Capital Advisors did not convert the note, and the Company has not repaid the face value principal balance of the note Convertible Note, however there is outstanding interest claimed which is in default. On January 3, 2024, W Capital put Mawson on notice of its intent to collect what it asserts are past due amounts for the following claims as of December 31, 2023: (a) principal and interest payable on the Loan Amount advanced to Mawson under a variation deed, amounting to $1.30 million (AU $1.90 million); (b) the principal amount advanced under convertible note, amounting to $0.50 million; and (c) interest payable on the principal amount advanced under a convertible note, amounting to $0.07 million. W Capital is also claiming issuance of an alleged 1,500,000 shares of the Company. The Company paid to W Capital $0.50 million on March 6, 2024, and is therefore reserving all of its rights and remedies as they pertain to W Capital's alleged claims for additional AU$1.30 million and 1,500,000 shares which the Company disputes. On March 28, 2024, the Company was made a defendant in default. a civil suit before the Supreme Court of NSW, in Sydney Australia, in the matter entitled "W Capital Advisors Pty Ltd in its capacity as trustee for the W Capital Advisors Fund v. Mawson Infrastructure Group, Inc.", Docket No. 2024/00117331, alleging a claim to seek US$166,219 as alleged unpaid interest under a convertible note after the Company paid in full the principal of $500,000, and an alleged AUD$298,926 under a loan deed, plus interest and costs for sums allegedly due claiming corporate guarantee by the Company for a "Variation Deed to Loan Deed" dated September 29, 2022, executed by Australian entity, Mawson Infrastructure Group Pty Ltd. As noted previously in the Company's Current Report on Form 8-K filed on March 29, 2024, the Company, pursuant to Australian law, on March 28, 2024, sent a preliminary discovery notice to W Capital to obtain documents and materials to investigate and ascertain if W Capital is a related party to Mr. James Manning, the Company's former director and executive, and to investigate and ascertain if transactions between W Capital Advisors Pty Ltd has not taken formal steps to enforce its rights in connection with the Convertible Note (including against the relevant collateral) and the Company reserves its rights. were related party transactions.

The Company, or its subsidiaries, have not fulfilled specific payment obligations related to the Celsius Promissory Note, Marshall loan, the W Capital Working Capital Loan and Secured Convertible Promissory Note mentioned above. Consequently, the creditors associated with these debt facilities may initiate actions as allowed by relevant grace periods. This includes the possibility of opting to expedite the repayment of the principal debt, pursuing legal action against the Company for payment default, raising interest rates to the default or overdue rate, or taking appropriate measures concerning collateral (including appointing a receiver), if applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None. During the fiscal quarter ended March 31, 2024, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted or terminated any (i) "Rule 10b5-1 trading arrangement" as defined in Regulation S-K § 229.408(a)(1)(i), or (ii) "non-Rule 10b5-1 trading arrangement" as defined in Regulation S-K § 229.408(c).

On May 9, 2024, the Company received notice of termination of its ground lease on unimproved property located in Perry County, Ohio. The Company is in discussions about potential options related to the notice and the unimproved property, including options to terminate, retain, modify or extend the ground lease on the unimproved property.

Item 6. Exhibits

2.1† 3.1	Bid Implementation Agreement between Wize Pharma, Inc. and Cosmos Capital Limited, dated December 30, 2020 (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on January 5, 2021)
2.2†	Deed of Amendment, dated January 18, 2021, of the Bid Implementation Agreement between Wize Pharma, Inc. and Cosmos Capital Limited, dated December 30, 2020 (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on January 19, 2021)
3.1	Certificate of Incorporation (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on April 5, 2012)
3.2	Certificate of Amendment to Certificate of Incorporation (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on July 18, 2013)
3.3	Certificate of Amendment to Certificate of Incorporation dated November 15, 2017 (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on November 21, 2017)
3.4	Certificate of Amendment to Certificate of Incorporation dated March 1, 2018 (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on March 5, 2018)
3.5	Certificate of Amendment to Certificate of Incorporation dated March 17, 2021 (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on March 23, 2021)
3.6	Certificate of Amendment to Certificate of Incorporation dated June 9, 2021 (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on June 14, 2021)
3.7	Certificate of Amendment to Certificate of Incorporation dated August 11, 2021 (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on August 16, 2021)
3.8*	Certificate of Amendment to Certificate of Incorporation dated February 6, 2023
3.9	Certificate of Registration of a Company of Cosmos Capital Limited ACN 636 458 912 (Incorporated by reference to the Company's Registration Statement on Form S-1 (File No. 333-256947) filed with the SEC on June 9, 2021)
3.10	Constitution of Cosmos Capital Limited (Incorporated by reference to the Company's Registration Statement on Form S-1 (File No. 333-256947) filed with the SEC on June 9, 2021)
3.11	Bylaws (Incorporated by reference to Company's Current Report on Form 8-K filed with the SEC on May 10, 2013)
4.1	Form of Common Warrant (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on May 8, 2023)
4.2	Form of Pre-Funded Warrant (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on May 8, 2023)
4.3	Form of Placement Agent Warrant (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on May 8, 2023)
4.4	Form of Warrant Amendment Agreement dated May 3, 2023 (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on May 8, 2023)
10.1*	
10.1	Chief Financial Officer Offer Letter and Exhibit A (Incorporated by reference Customer Service Addendum dated March 25, 2024, to the Company's Current Report on Form 8-K filed Customer Service Framework Agreement with the SEC on July 14, 2023)
10.2	Addendum Consensus Technology Group LLC dated July 19, 2023 to Employment Agreement between Mawson Infrastructure Group, Inc. and Rahul Mewawalla (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on July 21, 2023)
10.3	Director Appointment Letter between the Company and Ryan Costello dated September 25, 2023 (Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on September 28, 2023) October 12, 2023
31.1*	Certification of Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32**	Certifications of Principal Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in Inline XBRL (eXtensible Business Reporting Language) includes: (i) Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, (ii) Consolidated Statements of Operations for the three ended March 31, 2024 and nine months ended September 30, 2023 and 2022, 2023, (iii) Consolidated Statements of Comprehensive Loss for the three ended March 31, 2024 and nine months ended September 30, 2023, and 2022, 2023, (iv) Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, (v) Consolidated Statements of Stockholders' Equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, and (vi) Notes to Consolidated Financial Statements
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

† Exhibits and schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. We will furnish the omitted exhibits and schedules to the Securities and Exchange Commission upon request by the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Mawson Infrastructure Group Inc.
Date: November 13, 2023 May 15, 2024	By:	/s/ Rahul Mewawalla
		Rahul Mewawalla **Chief Executive Officer and President** (Principal Executive Officer)
Date: November 13, 2023 May 15, 2024	By:	/s/ William Harrison
		William Harrison **Chief Financial Officer** (Principal Financial and Accounting Officer)

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Exhibit 3.8

CERTIFICATE OF AMENDMENT TO
CERTIFICATE OF INCORPORATION OF
MAWSON INFRASTRUCTURE GROUP INC.

Mawson Infrastructure Group Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "DGCL"), DOES HEREBY CERTIFY AS FOLLOWS:

1. This Certificate of Amendment (the **"Certificate of Amendment"**) amends the provisions of the Corporation's Certificate of Incorporation filed with the Secretary of State on February 10, 2012, as amended February 28, 2012, July 18, 2013, November 15, 2017, March 1, 2018, March 17, 2021, June 9, 2021 and August 11, 2021 (collectively, the "Certificate of Incorporation").

2. Section 3.1(i) of Article III of the Certificate of Incorporation is hereby amended and restated in its entirety such that, as amended, said section shall read in its entirety as follows:

"(i) The total number of shares of stock which the Corporation shall have authority to issue is 90,000,000 shares of common stock, par value $.001 per share, and 1,000,000 shares of preferred stock, par value $.001 per share."

(ii) Upon the filing and effectiveness (the "Effective Time") pursuant to the Delaware General Corporation Law of this Certificate of Amendment , each six (6) shares of Common Stock issued and outstanding immediately prior to the Effective Time shall be and hereby are automatically reclassified and changed (without any further act) into one (1) fully paid and nonassessable share of Common Stock, provided that in the event a stockholder would otherwise be entitled to a fraction of a share, such stockholder shall receive one whole share of Common Stock in lieu of such fractional share and no fractional shares shall be issued."

3. This Certificate of Amendment was duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

4. All other provisions of the Certificate of Incorporation shall remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed this 6th day of February, 2023.

MAWSON INFRASTRUCTURE GROUP, INC.

By: /s/ James Manning
James Manning, Chief Executive Officer

Exhibit 10.1

SERVICE ORDER #2

This is a Service Order under the Service Framework Agreement dated October 12, 2023 (the "**Service Framework Agreement**") between **Consensus Colocation PA LLC** ("**CTG**") and **Mawson Hosting LLC** ("**Service Provider**"). Unless otherwise specified, capitalized terms used herein shall have the same meaning as those defined in the Service Framework Agreement. The effective date of this Service Order is March 25, 2024.

1. DATA CENTER FACILITY

This Service Order is corresponding to the Information Memorandum of Data Center Facility submitted by the Service Provider on or about March 25, 2024, attached hereto as EXHIBIT A (the "**Information Memo**") as well as the Data Center Facility as described in the Information Memo located at 950 Railroad Avenue, Midland, PA 15059.

2. CO-LOCATION CAPACITY AND CO-LOCATION SERVERS

2.1. Under this Service Order, Service Provider agrees to provide to CTG Co-location Capacity as follows, together with the necessary onsite production facilities including office rooms, maintenance facility, and toilets. The number of the Minimum Co- location Quantity is as set out below.

Maximum Co-location Capacity（MW）	**Minimum Co-location Quantity（Units）**
17.70 MW	5,880

2.2. Details of the Co-location Servers to be delivered hereunder are as follows, including the specific model, power efficiency and quantity of the Co-location Servers. Service Provider shall ensure that the Data Center Facility has been connected to electrical power and reaches its standard operational conditions for each batch of Co-location Servers to be in Online Status on or before the respective estimated power-on date as set forth in the table below.

Batch No.	Model	**Power Efficiency (J/T)**	**Co-location Quantity（Units）**	**Estimated Arrival Date**	**Estimated Power- on Date**
1	S19 XP/ S19j XP	21.5	5,880	March 26, 2024	April 5, 2024
In Total	-	-	5,880	-	-

2.3. The Parties further acknowledge and agree that, subject to the Co-location Capacity and Minimum Co-location Quantity, CTG shall be entitled to, from time to time, modify the model of the Co-location Servers with a newer model and Co-location Quantity, at its sole discretion, by providing written notice (the "**Co-location Servers ModificationNotice**") in the form attached hereto as EXHIBIT B of this Service Order five (5) Business Days prior to the delivery, withdrawal, and/or replacement of the Co-location Servers as long as the change doesn't require any infrastructure change to the Data Center Facility, cause the Service Provider to be in breach of the Service Framework Agreement, this Order, Applicable Law, or any other agreements Service Provider may have (including the Lease or the power agreements), or cause the power draw to exceed the maximum amount attributed to the contract, or otherwise cause a material decrease in CTG's usage of the Co-location Capacity set forth herein. CTG shall pay Service Provider's reasonable costs and expenses to facilitate those changes.

Service Provider shall cooperate with CTG to on-rack and/or de-rack of the Co-location Servers, power on additional Co-location Servers as applicable, and adjust the amount of the Prepayment in accordance with the calculation methods provided in the Agreement. In the event where there is a decrease in the Prepayment, Service Provider shall return the difference in accordance with Article 3.5(b) of this Agreement.

SERVICE ORDER #2

3. **SERVICE AND FEES**

3.1. Deposit. CTG shall pay to Service Provider the Deposit as set forth below in accordance with the Service Framework Agreement.

Batch No.	**Co-location Quantity (Units)**	Deposit Breakdown	**Deposit (US$)**
1	5,880	17.70 MW * 730 Hours * $20.00/MWh	$258,402.48
In Total	5,880	-	$258,402.48

3.2. Fees.

(a) **Co-location Fee Rate:** $0.020/kWh

(b) **Power Reimbursement Fees**: The Power Reimbursement will be Service Provider's actual billed rate for power. Service Provider will provide CTG with all necessary supporting evidence from its power provider or power consultant to substantiate its billing rate. The estimated average Power Reimbursement Fee is $0.04350/kWh which will be used to estimate the Prepayment.

(c) **Monthly Theoretical Co-location Fee (including sales taxes/expenses):** ∑Rated Power of Each Co-location Server Powered-On (kW) × Co-location Fee Rate × 24 × 31

(d) **Minimum Co-location Fee:** $84,000 per month

SERVICE ORDER #2

3.3. Other Fees. CTG shall pay the following fees as per use, provided that these fees may be incurred only after prior written approval of CTG:

(a) On-rack fee (including sales taxes/expenses): US$17 per Co-location Server plus the cost of cables if not provided by CTG.

(b) De-rack fee (including sales taxes/expenses): US$10 per Co-location Server.

(c) Waste fee: Reimbursement of actual costs associated with removal of any packaging materials associated with CTG equipment.

(d) Packing Materials: Reimbursement for all packing materials required for removal of CTG equipment.

(e) Storage: $10 per server per month or part thereof if stored onsite. If stored offsite: at commercially available rates + 9% storage administration fee. Only applies to servers that are not operational and not in the process of being repaired. Does not apply to servers that have been delivered but not yet made operational.

(f) Others (please specify): N/A

3.4. Taxes and Expenses.

Service Provider may pass through to CTG any actual sales or use taxes on power as charged by Service Provider's power provider.

3.5. Operational

CTG may only utilize Low Power Mode for up to 30% of the time available in any Quarter.
Minimum Strike Price: $36.13 (not including adders or taxes).

3.6. Curtailment Revenue

For the purposes of this Service Order, Section 5.5 (a) shall be deleted in its entirely and replaced with the following, "CTG will receive 50% of the revenue Service Provider receives from the CSP net of all fees, commissions, and other charges for the reduction of power utilized by the Co-location Servers and the MDC Infrastructure at the time of curtailment ("CTG Curtailment Revenue")."

SERVICE ORDER #2

4. **BILLING AND PAYMENT**

4.1. The Prepayment is estimated as follows as confirmed by documentation provided by Service Provider and the date of provision of such documentation by Service Provider:

Batch No.	**Co-location Quantity (Units)**	Estimated Prepayment Breakdown	**Estimated Prepayment Amount (US$)**
1	5,880	17.70 MW * 1,460 Hours * $43.50/MWh[1]	$1,124,160.93
In Total	5,880	-	$1,124,160.93

1 $43.50/MWh is an average of the next two expected month's power prices of 30 days at $42.93/MWh and 31 days at $44.06/MWh.

4.2. All payment of Co-location Fee under this Service Order, including any remittance or refund of Co-location Fee, shall be made:

☒ via wire transfer of immediately available funds in the US Dollars to the bank account of designated by the receiving Party; or

☐ via other methods: ________________________.

The Parties agree that CTG shall be entitled to make payments via the foregoing methods in its sole discretion. In the event that Service Provider fails to provide or update (if applicable) the correct and the latest valid payment information of Service Provider, Service Provider shall not suspend provision of Services, terminate the Service Framework Agreement or this Service Order, or hold CTG liable for any breach of contract for failure of CTG to make payment due thereto.

4.3. Account Information of Service Provider

Account Name: Mawson Hosting LLC
Bank Name: Axos Bank
Bank Address: 4350 La Jolla Village Drive, Suite 140 San Diego, CA 92122
Account Number: To be provided by Service Provider
Routing Number: To be provided by Service Provider

4.4. Account Information of CTG

Account Name: Consensus Colocation PA LLC
Bank Name: Flagstar Bank
Bank Address: 565 5TH AVE, New York, NY 10017
Account Number: 1504960613
Routing Number: 026013576 (Wires only)

SERVICE ORDER #2

5. **TERM AND TERMINATION OF SERVICE ORDER**

5.1. This Service Order shall be effective from the date hereof and expire on the expiration or early termination of the Service Framework Agreement.

5.2. This Service Order may be terminated prior to its expiration:

(a) upon mutual agreement in writing of the Parties;

(b) upon CTG giving a written notice to Service Provider if the Data Center Facility fails to meet its standard operational conditions of the respective Co-location Capacity for the Co-location Servers to be in Online Status within thirty (30) calendar days after the estimated power-on date set forth in paragraph 2.1 of this Service Order; meanwhile, CTG shall not be liable to pay Service Provider any fee, charges or expenses during the period of such operational conditions;

(c) upon Service Provider giving a written notice to CTG if CTG fails to deliver the any batch of Co-location Servers by (i) the estimated arrival date set forth in paragraph 2.2 of this Service Order, in which case Service Provider shall have no obligation to pay any Delayed Compensation or (ii) the actual date on which the Data Center Facility meets the standard operational conditions of the respective Co-location Capacity, whichever is later; and

(d) upon either Party giving a written notice of no less than sixty (60) calendar days to the other Party, *and* the terminating Party pays a one-time early termination fee, along with delivery of the notice, in an amount equal to Monthly Theoretical Co-location Fee shall be paid by the terminating Party to the non-terminating Party upon termination.

5.3. Upon expiration or early termination of this Service Order, Service Provider shall:

(a) in any event no later than thirty (30) Business Days from the expiration or early termination, issue final invoices for the unpaid Billing Period, with the Reconciliation Statement for such unpaid Billing Period and the supporting documents proving the Power Consumption for the such Billing Period (e.g., photos of the Separate Meter showing the Power Consumption at the end of such Billing Period) as attachments to the invoice in accordance with Article 3.6(a) of the Service Framework Agreement; and

(b) issue to CTG the updated invoice(s) for the unpaid Billing Period(s) in accordance with Article 3.6 of the Service Framework Agreement (if applicable).

5.4. Settlement of Last Invoice

CTG shall make payment(s) to Service Provider to settle the outstanding amount in the invoice for the unpaid Billing Period(s) in accordance with Article 3.6 of the Service Framework Agreement (if applicable).

6. PREVAILING PROVISION

In the event of any discrepancy between the provision of this Service Order and the Service Framework Agreement, the provision in this Service Order shall prevail.

SERVICE ORDER #2

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date first written above.

Signed for and on behalf of CTG:

Consensus Colocation PA LLC

Signature	*/s/ Ruslan Zinurov*
Name:	Ruslan Zinurov
Title:	Authorized Signatory

Signed for and on behalf of Service Provider:

MAWSON HOSTING LLC

Signature	*/s/ Rahul Mewawalla*
Name:	*Rahul Mewawalla*
Title:	*Authorized Signatory*

SERVICE ORDER #2

EXHIBIT A

INFORMATION MEMORANDUM OF DATA CENTER FACILITY

Service Provider: Mawson Hosting LLC
Submission Date: March 2024

BASIC INFORMATION						
Location	950 Railroad Avenue, Midland, PA 15059					
Jurisdiction	Midland, PA; Beaver County, PA					
Land Area (sq. m)						
Building Area (sq. m)						
Construction Structure	☐ Steel Structure ☐ Warehouse ☒ Container					
Designed No. of Racks	10 containerized data centers 5,880 rack spaces					
Heat Dissipation Method	☐ Hydro Cooling ☒ Air Cooling					
Local Temperature (℃)	Max.		Min.		Avg.	
Server Air Inlet Temperature (℃)	Max.		Min.		Avg.	
Humidity (%)	June % December %					
Air Pressure (kPa)	June December					
ELECTRICAL POWER						
Power Type	☒ Grid hybrid ☐ Wind ☐ Solar ☐ Hydro ☐ Nuclear					
Max. Power Capacity (MW)	20 MW					
Minimum Power Commitment	☒ Not Available ☐ ____MW					
NETWORK						
Network Operator						
Network Bandwidth, Mb/s						
Conditions of Prepayment						
1.	Service Provider completed the construction of the Data Center Facility and passed the inspection of the Data Center Facility by CTG;					
2.	The Data Center Facility has the capability to connect to electrical power for the respective batch of Co-location Servers; and					

SERVICE ORDER #2

Conditions of Payment of Deposit	
1.	The high-voltage, medium-voltage and low-voltage transformers arrived at the Data Center Facility;
2.	The wiring between high-voltage and low-voltage transformers is completed;
3.	The construction of infrastructure, including but not limited to site hardening of the Data Center Facility, construction of facilities and buildings are completed, if applicable; and
4.	The site protection facilities of the Data Center Facility are set up, and the Data Center Facility has the capability of basic safety protection.
COMPLIANCE STATUS	
Project Approval Documents	☐ Not Available ☒ Provided to CTG on 9/13/2023
Power Purchase Agreement(s)	☐ Not Available ☒ Provided to CTG on 9/13/2023
Land Title Document	☐ Not Available ☐ Land Ownership Certificate OR ☒ Lease Agreement OR ☐ Land License Agreement provided to CTG on 9/13/2023
Location of the Separate Meter	☐ Next to the high voltage transformer ☒ Next to the low voltage transformer ☐ Next to the container or plant ☐ Other:_____________
Ultimate Beneficiary Owner of Data Center Facility[1]	Mawson Infrastructure Group Inc, listed on Nasdaq
OTHER INFORMATION	

1 Please indicate the ultimate beneficial owner who is either (i) an individual, or (ii) a company listed on a qualified stock exchange.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Rahul Mewawalla, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mawson Infrastructure Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

MAWSON INFRASTRUCTURE GROUP INC.

Date: November 13, 2023 May 15, 2024

By: /s/ Rahul Mewawalla

Rahul Mewawalla
Chief Executive Officer and President (Principal
(Principal Executive Officer)

Exhibit Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, William Harrison, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mawson Infrastructure Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

MAWSON INFRASTRUCTURE GROUP INC.

Date: November 13, 2023 May 15, 2024

By: /s/ William Harrison
William Harrison

Chief Financial Officer
(Principal Financial Officer and Accounting Officer)

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Mawson Infrastructure Group Inc. (the "Company") for the period ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Rahul Mewawalla, Chief Executive Officer of the Company, and William Harrison, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

MAWSON INFRASTRUCTURE GROUP INC.

Date: November 13, 2023 May 15, 2024

By: /s/ Rahul Mewawalla
Rahul Mewawalla
Chief Executive Officer and President
(Principal Executive Officer)

MAWSON INFRASTRUCTURE GROUP INC.

Date: November 13, 2023 May 15, 2024

By: /s/ William Harrison
William Harrison

Chief Financial Officer
(Principal Financial and Accounting Officer)

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